

Central Coast Water Authority

fiscal year
2013/14 Budget



A California Joint
Powers Authority

Central Coast Water Authority

A CALIFORNIA JOINT POWERS AUTHORITY

Fiscal Year
2013/14 Budget

Central Coast Water Authority

Mission:

To provide San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water.

Objectives:

- Treat and deliver water through the Coastal Aqueduct to San Luis Obispo and Santa Barbara Counties.
- Minimize environmental impacts and protect the environment during operation of our facilities.
- Cost effectively operate and maintain our facilities.
- Ensure our water supply meets or exceeds health and safety standards.
- Work with the Department of Water Resources and other state, federal and local agencies to achieve our mutual objectives.
- Assist project participants in their efforts to reduce groundwater overdraft.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morrell *Jeffrey R. Emery*

President

Executive Director

Central Coast Water Authority

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Fiscal Year 2013/14 Budget

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Shandon Turnout Dewatering, November 2012

Budget Foreword

The Budget Foreword section of the FY 2013/14 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Highlights

General Information

• Form of Government	Joint Powers Authority
• Government Code Section	Section 6500, Article 1, Chapter 5, Division 7, Title 1
• Date of Organization	August 1, 1991
• Member Agencies	8
• Associate Members	1
• Area served	Santa Barbara County, San Luis Obispo County
• Fiscal Year End	June 30th
• Santa Barbara County Table A	39,078 acre-feet
• Drought Buffer Table A	3,908 acre-feet
• San Luis Obispo County Table A	4,830 acre-feet

Operational Information

• Polonio Pass Water Treatment Plant capacity	50 million gallons per day
• Authority Pipeline (in miles)	42
• Coastal Branch Phase II Pipeline (in miles)	101
• Number of water storage tanks	7
• Number of turnouts	10
• Number of full-time equivalent Positions	29.50

Central Coast Water Authority
Reader's Guide
Fiscal Year 2013/14 Budget

The organization and presentation of the Central Coast Water Authority's fiscal year budget is designed to satisfy the needs of citizens, ratepayers, public officials and Authority employees. It is organized and structured to meet external and internal managerial needs. As a comprehensive management and balanced financial plan, this document describes the programs, services and resources being provided by the Authority as well as policies and long-term financial plans.

The Authority's budget is divided into the following seven (7) major sections with sub-sections included in each major section:

- I. **BUDGET FOREWORD** An introductory section that contains the budget transmittal letter; narrative discussion on the financial policies, goals and objectives of the Authority; and narrative discussion on the budget process.
- II. **BUDGET SUMMARY** A past, present and future overview of the Authority's budget and financial plans.
- III. **REVENUES AND SOURCES OF CASH** Narrative, graphs and spreadsheets describing the Authority's revenue and other sources of cash for the past and present fiscal year and revenue projections.
- IV. **DEPARTMENT OF WATER RESOURCES (DWR)** Narrative, graphs and spreadsheets describing the DWR charges which are paid by the member agencies and other project participants of the Authority.
- V. **OPERATING EXPENSES** The operating expense section of the budget is comprised of the Administration, Water Treatment Plant, and Distribution Departments and includes narrative discussion on the operating expenses for each department as well as graphs and spreadsheets.
- VI. **TEN YEAR FINANCIAL PLAN** The ten year financial plan section of the budget provides the ten year pro forma projections for each project participant.
- VII. **APPENDIX** The appendix includes a glossary of terms and other items relevant to the Authority's budget.

To aid the reader in finding specific information quickly, a Table of Contents is provided at the beginning of this document.



April 25, 2013

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Richard Shaikewitz
Chairman

Ed Andrisek
Vice Chairman

William Brennan
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Submitted herewith is the Fiscal Year (FY) 2013/14 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2013/14.

The basic purpose of the budgetary process is to determine CCWA activities and projects to be undertaken and to identify resources and revenues available to fund them. In addition, the budget is more than just a financial document. The budget represents a process through which CCWA pursuits for the ensuing year are established.

Financial control is the traditional function of a budget. This comprehensive budget also contains a vast amount of additional information including manpower requirements, equipment needs, and programs and services being provided. This level of detail provides you an opportunity to identify all the resources needed to accomplish CCWA's goals and objectives.

The budget also serves as a guide for policy implementation, making it a thorough and valuable document.

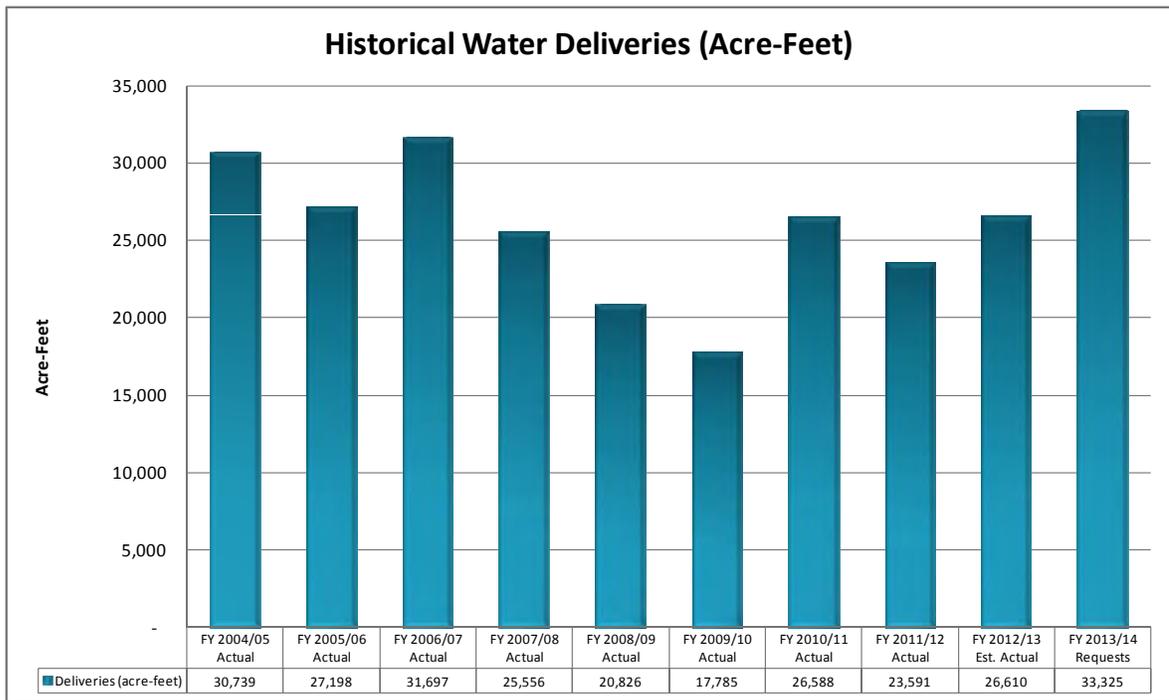
For fifteen consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2013/14 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2012/13:

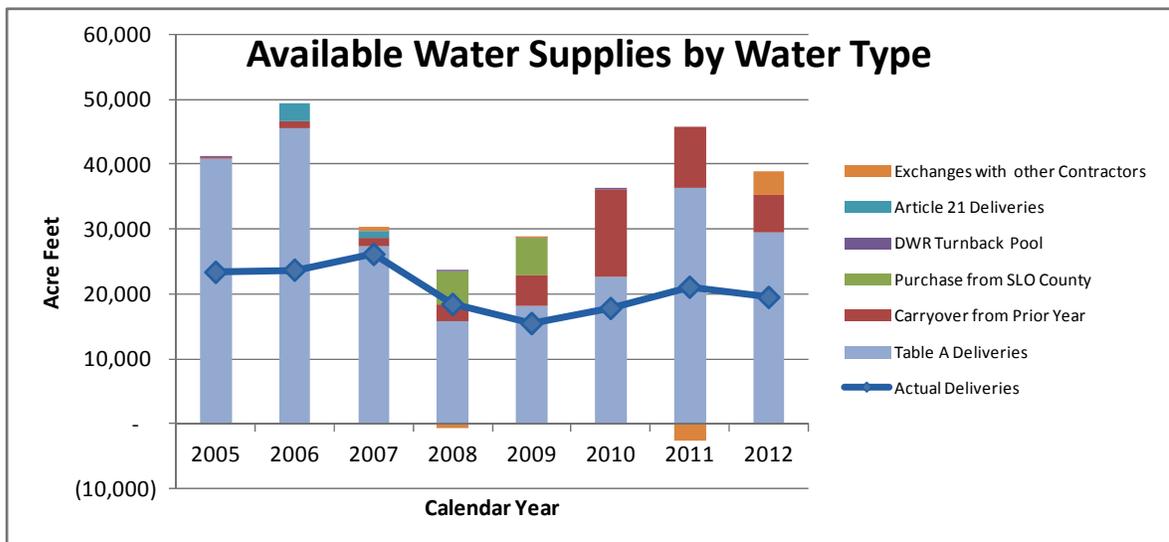
Water Deliveries

Total deliveries during FY 2012/13 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 24,927 acre-feet compared to the actual FY 2011/12 deliveries of 26,610 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.

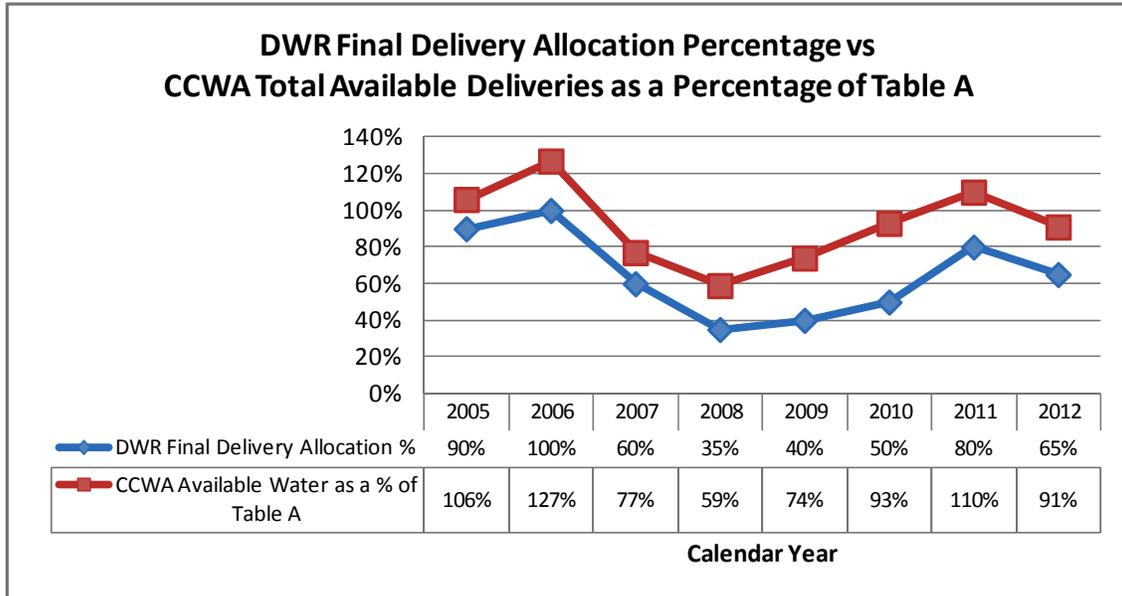


Maximization of Water Deliveries through Alternative Water Sources

CCWA continues to explore and utilize all available water sources to increase the available water deliveries to the project participants beyond just the regular allocation of Table A water from DWR. These alternative sources include purchases from San Luis Obispo County, DWR's turnback pools, State Water Contractor dry year programs and carryover storage and subsequent use in San Luis reservoir. The following graph shows the various sources of water available for delivery to our project participants for the past eight calendar years including the actual deliveries taken by the CCWA project participants (Santa Barbara County only).



As a result of utilizing these other “types” of water to increase the overall available deliveries from the State Water Project, CCWA has been able to exceed the DWR delivery allocation percentages in each of the last eight years as shown in the following graph.

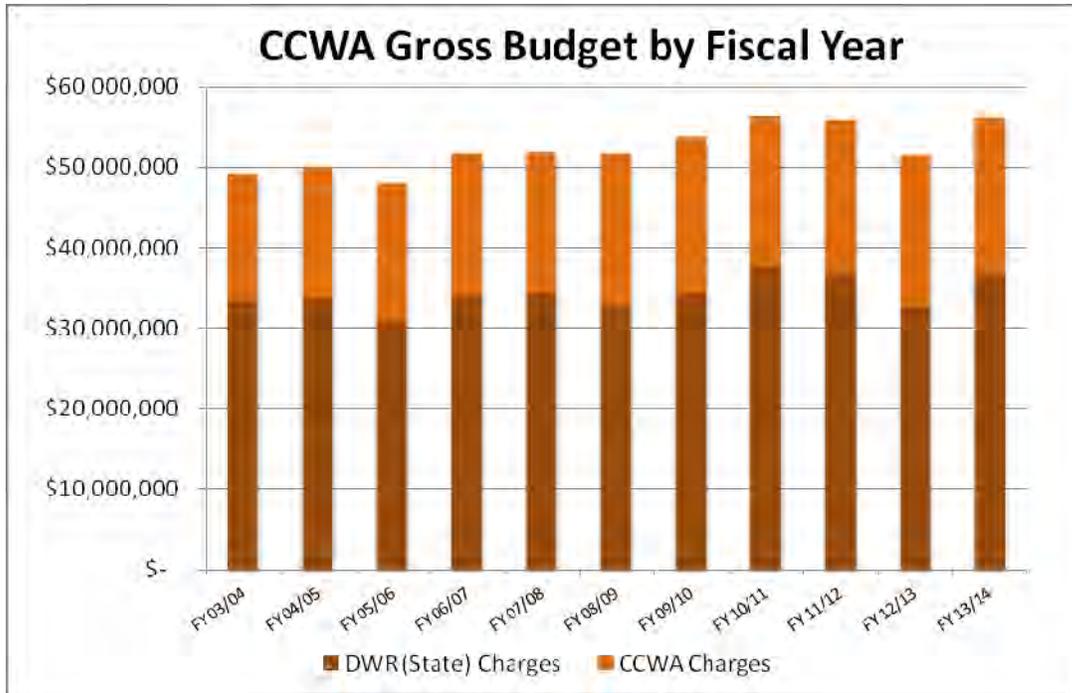


CCWA Credits

Actual CCWA operating expenses for FY 2012/13 are anticipated to be approximately \$1 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2013/14.

CCWA Budget History

The following graph shows the CCWA gross budget (total budget excluding CCWA credits and prepayments) broken down between CCWA costs and DWR costs from FY 2003/04 to FY 2013/14.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2011/13 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2011/12 Comprehensive Annual Financial Report.

Additionally, CCWA continued its Employee Recognition Program with great success. Last fiscal year, numerous awards were given to CCWA staff for exceptional performance and innovative thinking.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2013 and 2014, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 32,327 and 35,172 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

During FY 2013/14, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources (DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working which have water supply, operational, and fiscal impacts on CCWA. Some of these activities could potentially have a significant fiscal impact to CCWA in the current and future years. Therefore, staff will place a high priority on working through the various available venues to minimize the fiscal impacts to CCWA and ensure that we continue to meet our goal of providing reliable, high quality supplemental water.

DWR Contract Extension and Amendment

DWR and the State Water Project Contractors (the “Contractors”) are currently in negotiations to extend the Contract between DWR and the Contractors beyond the current expiration date of December 31, 2035. DWR has determined it will not issue long-term financing for large capital projects beyond the current expiration date in 2035. As such, in 2013, the longest term revenue bonds DWR will issue are 22 years, with a continued decrease in term each year closer to 2035. Therefore, it is vitally important that the contract be extended beyond 2035 so that DWR may issue longer term bonds to avoid a large increase in the costs to the Contractors due to the compressed time frame for repaying large capital expenditures.

It is anticipated the negotiating process will be complete in the summer of 2013, with the final goal of an executed contract amendment no later than December 31, 2014.

Bay Delta Conservation Plan (BDCP)

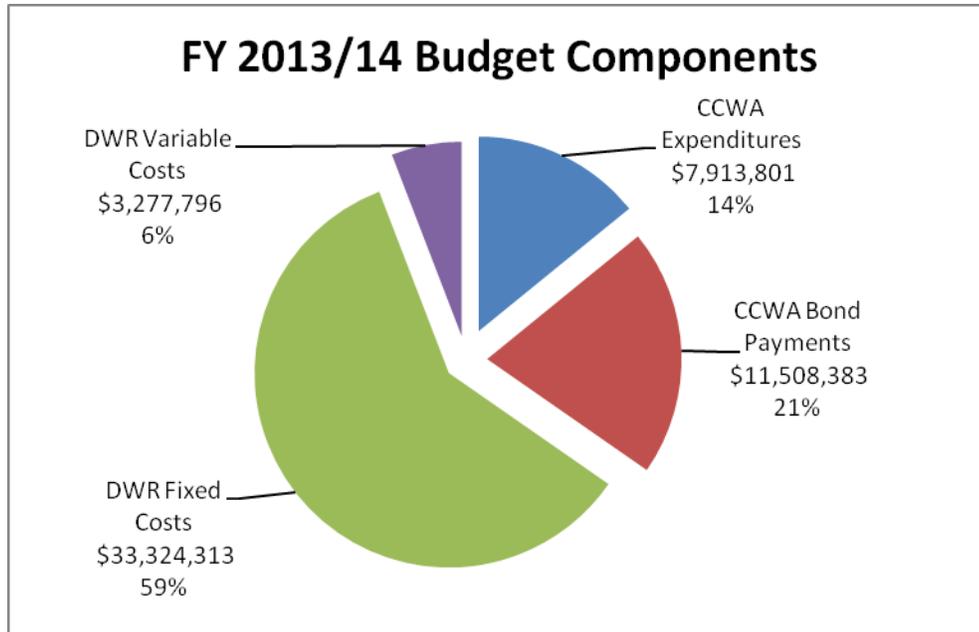
The BDCP is a 50-year ecosystem plan designed to restore fish and wildlife species in the Sacramento-San Joaquin Delta in a way that also protects California’s water supplies while minimizing impacts to Delta communities and farms. It is anticipated the BDCP will achieve the following:

- Provide for a more reliable water supply for California by modifying conveyance facilities to create a more natural flow pattern.
- Provide a comprehensive restoration program for the Delta.
- Provide the basis for permits under federal and state endangered species laws for activities covered by the plan based on the best available science.
- Identify sources of funding and new methods of decision-making for ecosystem improvements.
- Provide an adaptive management and monitoring program to enable the plan to adapt as conditions change and new information emerges.
- Streamline permitting for projects covered by the plan.

It is anticipated significant resources will be needed within the next year to keep the CCWA Board of Directors and its project participants informed of the issues regarding BDCP and will therefore be a high priority during FY 2013/14.

FY 2013/14 BUDGET SUMMARY

The FY 2013/14 budget calls for total project participant payments of \$55.5 million compared to the FY 2012/13 budget of \$50.8 million, a \$4.7 million increase. These amounts include \$0.5 million in CCWA credits for FY 2013/14 and \$0.6 million for FY 2012/13. The following graph shows the breakout of the various cost components in the CCWA FY 2013/14 Budget:



The following table compares the FY 2013/14 Budget and the FY 2012/13 Budget:

Budget Item	Final FY 2012/13 Budget	Final FY 2013/14 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses	\$ 7,133,936	\$ 7,554,995	\$ 421,059
Revenue Bond Debt Service Payments	11,569,637	11,508,383	(61,254)
Capital Improvement Projects	168,141	239,915	71,774
Non-Annual Recurring Expenses	-	-	-
Total CCWA Expenses:	18,871,714	19,303,293	431,579
Pass-Through Expenses			
DWR Fixed Costs	27,884,475	33,324,313	5,439,838
DWR Variable Costs	4,531,494	3,277,796	(1,253,698)
Warren Act and Trust Fund Payments	57,942	118,891	60,949
Total Pass-Through Expenses:	32,473,911	36,720,999	4,247,088
Subtotal Gross Budget:	51,345,625	56,024,293	4,678,668
CCWA Credits	(559,996)	(501,039)	58,957
TOTAL:	\$ 50,785,629	\$ 55,523,253	\$ 4,737,624

CCWA Operating Expense Budget

The FY 2013/14 CCWA operating expense budget totals \$7.5 million, which is \$0.4 million higher than the FY 2012/13 operating expense budget, a 5.90% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2013/14 and FY 2012/13.

	Final FY 2012/13 Budget	Final FY 2013/14 Budget	Increase	Percentage Change
Fixed O&M	\$ 5,852,046	\$ 6,142,486	\$ 290,440	4.96%
Variable O&M	1,281,890	1,412,508	130,618	10.19%
Total:	\$ 7,133,936	\$ 7,554,995	\$ 421,058	5.90%

The following is a list of the major highlights of the operating expense budget. Additional highlights and detailed explanations are available in the departmental sections of the budget.

Personnel Expenses

Personnel expenses are increasing about \$23,000, which includes the following changes from the prior year:

- The FY 2013/14 Budget includes a \$98,660 salary pool for employee salary increases based on a salary pool percentage of 4.93% (excludes increases for four positions being promoted as part of the Board approved succession plan discussed below). The salary pool percentage is comprised of a 3% merit component and a 1.93% change in the consumer price index which was approved by the CCWA Board of Directors at their meeting on February 28, 2013.
- The FY 2013/14 Budget includes an additional \$68,793 for the promotion of four positions within CCWA as part of the CCWA Board-approved succession plan which was approved by the CCWA Board of Directors at their meeting on February 28, 2013.
- The FY 2013/14 total salaries and wages budget is decreasing by about \$72,000 due to the retirement of the existing Executive Director, partially offset by the increases listed above.
- Health insurance expenses and cafeteria plan benefits are increasing by about \$56,000 due to a 16% increase in health insurance premiums for calendar year 2013. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2014.
- Workers' compensation insurance premiums are increasing by about \$30,200 due to an increase in the experience modification factor from 77% last year to 109% this year.
- The FY 2013/14 Budget includes \$39,000 for deposit into the California Employers' Retiree Benefit Trust Program (CERBT) which represents the estimated FY 2013/14 annually required contribution for the CCWA retiree medical benefit.

Professional Services

Professional services are increasing by about \$94,000 for the following:

- Proposed consulting contract of \$48,000 for State Water Project issues after the retirement of the existing Executive Director.

- Re-engaging Ernst & Young as auditors for the DWR Statement of Charges. CCWA had withdrawn from this engagement (shared with approximately 25 other State Water Project Contractors) two years ago because of the lack of benefits derived from the Contract. However, Ernst & Young has revised their audit plan, and staff now believes CCWA would benefit from this audit of the annual DWR Statement of Charges. The estimate for FY 2013/14 is \$13,000.
- Increase in legal fees of about \$32,000 for an anticipated increase in needed legal services during the year.

Utilities

Utility expenses are increasing by about \$110,000 primarily due to an increase in requested water deliveries into Lake Cachuma of 1,051 AF compared to the prior fiscal year.

Other Expenses

Other expenses are increasing by approximately \$160,000 primarily due to an increase in non-capitalized projects. These are projects which are outside of the normal core operating expenses for CCWA, but do not meet the criteria for capitalization. Please see the Departmental Section of this Budget document under each department (Administration, Water Treatment Plant and Distribution) for a complete listing of the non-capitalized projects for FY 2013/14.

CCWA Capital Improvement Projects

The FY 2013/14 Budget includes \$239,915 for capital improvements, a \$72,000 increase over the prior year amount. All capital improvement projects are funded on a current basis from project participant assessments.

Please refer to the “*Capital Improvements*” section of this FY 2013/14 Budget for additional information on the budgeted capital improvement projects.

CCWA 2006A Revenue Bond Debt Service

CCWA 2006A revenue bond debt service for FY 2013/14 totals \$11.5 million, which is about \$61,000 lower than the prior year amount.

Warren Act and Trust Fund Payments

The FY 2013/14 Budget includes \$118,891 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 2,048 acre feet of water to be delivered to Lake Cachuma.

CCWA Credits

The FY 2013/14 budget includes the following credits:

CCWA O&M Credits	\$	454,760
O&M Reserve Fund Interest Income		7,835
Rate Coverage Reserve Fund Interest		36,597
Prepayments and Other Credits		1,849
	\$	<u>501,040</u>

DWR Charges

The FY 2013/14 DWR fixed charges total \$33.3 million, which is \$5.4 million more than the FY 2012/13 Budget. The DWR variable charges total \$3.3 million, which is \$1.2 million less than the prior year amount.

Please refer to the DWR section of the budget for a detailed discussion on the DWR charges.

CONCLUSION

We are proud of the many accomplishments achieved during the past year through the combined efforts of CCWA staff and project participants. We look forward to the challenges of the upcoming productive successful year.

Sincerely,

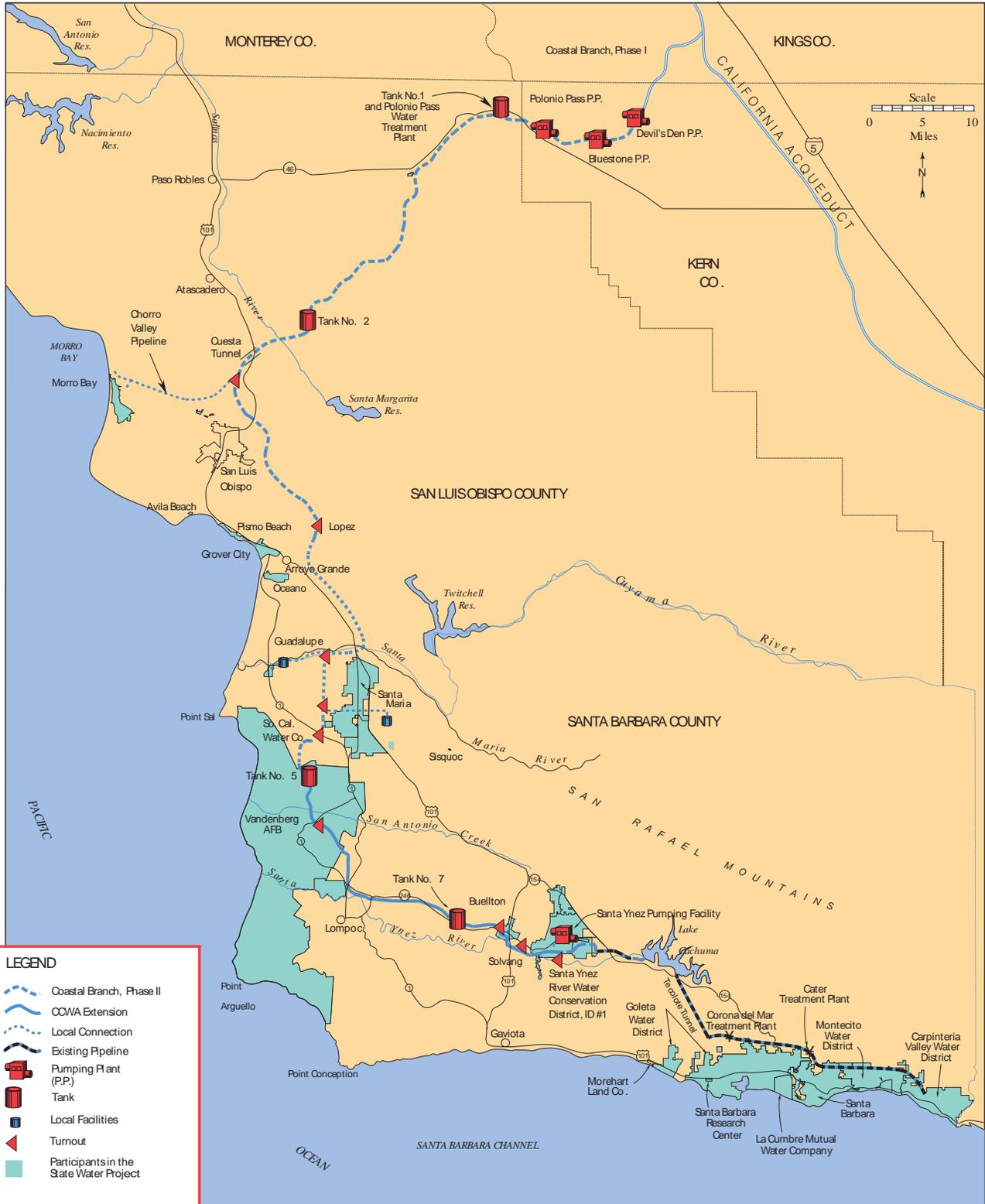


William Brennan
Executive Director



Ray A. Stokes
Deputy Director

Project Map



LEGEND

- Coastal Branch, Phase II
- COWA Extension
- Local Connection
- Existing Pipeline
- Pumping Plant (P.P.)
- Tank
- Local Facilities
- Turnout
- Participants in the State Water Project



Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2013/14 Budget

The Authority is a public entity duly organized and existing under a Joint Exercise of Powers Agreement – Central Coast Water Authority, dated as of August 1, 1991, by and among nine public agencies in Santa Barbara County, two of which have subsequently merged. The members entered into the Agreement to exercise their common power to acquire, construct, operate and maintain works and facilities for the development and use of water resources and water rights including without limitation, works and facilities to divert, store, pump, treat and deliver water for beneficial uses. In particular, the members expressed their desire to create the Authority to finance, develop, operate, and maintain the Authority’s facilities for their mutual benefit and to act on behalf of the members with respect to the Department of Water Resources (DWR) facilities. The Authority currently has a staff of 28 full-time and 2 part-time employees.

The Authority is presently composed of eight members, all of which are public agencies: the Cities of Buellton, Guadalupe, Santa Barbara and Santa Maria, Carpinteria Valley Water District, Goleta Water District, Montecito Water District and Santa Ynez River Water Conservation District, Improvement District No. 1 (in which the City of Solvang is located). (A founding member of the Authority, the Summerland Water District, was merged into the Montecito Water District.) In addition, the Authority has an Associate Member, the La Cumbre Mutual Water Company. Each member appoints a representative to the Authority’s Board of Directors. San Luis Obispo County Flood Control and Water Conservation District (SLOCFWCD and/or San Luis Obispo Water Purchasers) has expressed an interest in joining the Authority. However, any decision to do so must be approved by the unanimous vote of the present members.

The member agencies are represented on the CCWA Board of Directors by an individual chosen by each public entity’s Board or City Council. Each vote on the Authority’s Board of Directors is weighted roughly in proportion to the entity’s allocation of State water entitlement. The following table outlines the voting percentage for each member of the CCWA Board of Directors.

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2013/14 Budget

Board of Directors Voting Percentages

City of Guadalupe	1.15%
City of Santa Maria	43.19%
City of Buellton	2.21%
Santa Ynez RWCD, Improvement District #1	7.64%
Goleta Water District	17.20%
City of Santa Barbara	11.47%
Montecito Water District	9.50%
Carpinteria Valley Water District	<u>7.64%</u>
TOTAL	100.00%

CCWA Committees

There are three Authority committees. They consist of the Finance Committee, Personnel Committee, and Operating Committee.

The Operating Committee is composed of the general managers, city administrators and water supply managers of the various water agencies and cities served by the Authority. The Operating Committee typically meets once a month to act on matters such as project construction, operations and financial issues and recommends actions to the Authority's Board of Directors.

Santa Barbara County Project Participants

Each Santa Barbara County project participant is a water purveyor or user located in Santa Barbara County which obtained contractual rights to receive water from the State Water Project prior to 1991. Those rights have been assigned to the Authority pursuant to the terms of the Water Supply Agreements.

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2013/14 Budget

Santa Barbara County Project Participant Table A Amounts

Agency	<u>Table A</u> ⁽¹⁾
City of Buellton	578
Carpinteria Valley Water District	2,000
Goleta Water District	4,500
City of Guadalupe	550
La Cumbre Mutual Water Company	1,000
Montecito Water District	3,000
Morehart Land Company	200
City of Santa Barbara	3,000
Raytheon Systems Company (SBRC)	50
City of Santa Maria	16,200
Santa Ynez River W.C.D., ID #1	2,000
Golden State Water (SCWC)	500
Vandenberg Air Force Base	<u>5,500</u>
TOTAL	39,078

(1) In acre-feet per year. The amounts do not include the Authority's 3,908 acre-feet per year "drought buffer" entitlement and 2,500 acre-feet per year additional entitlement which has been acquired by Goleta Water District.

San Luis Obispo County Water Purchasers

Each San Luis Obispo County water purchaser is a water purveyor or user located in San Luis Obispo County which obtained contractual rights from San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) to receive water from the State Water Project.

San Luis Obispo County Project Participant Table A Amounts

Agency	<u>Table A</u>
Avila Beach Community Services District	100
Avila Valley Mutual Water Co., Inc.	20
California Men's Colony (State)	400
County of SLO C.S.A. No. 16, I.D. #1	100
County of SLO (Op. Center & Reg. Park)	425
City of Morro Bay	1,313
Oceano Community Services District	750
City of Pismo Beach	1,240
San Luis Coastal Unified School District	7
San Miguelito Mutual Water Company	275
SLO Co. Comm. Coll. District (Cuesta College)	<u>200</u>
TOTAL	4,830

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2013/14 Budget

Water Supply Agreements

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority in order to provide for the development, financing, construction, operation and maintenance of the Authority's facilities and to designate the Authority to act on behalf of the Santa Barbara County project participants with respect to the DWR facilities. The purpose of the Water Supply Agreements is to assist in carrying out the purposes of the Authority with respect to the Authority project by (1) requiring the Authority to sell, and the Santa Barbara County project participants to buy, a specified amount of project allotment from the Authority, and (2) assigning the Santa Barbara County project participants' Table A rights in the State Water Project to the Authority.

Local Water Treatment Agreements

Each San Luis Obispo County water purchaser has entered into a Local Water Treatment Agreement with SLOCFCWCD and SLOCFCWCD has entered into the Master Water Treatment Agreement with the Authority to cause the Authority to provide for the development, financing, construction, operation and maintenance of the Authority's facilities. The purpose of the Local Water Treatment Agreements is to provide the terms and conditions of the treatment of the San Luis Obispo County water purchaser's water to be delivered from the State Water Project and to provide for the financing of certain local improvements.

State Water Project

The State Water Project is one of the largest water supply projects undertaken in the history of water development. It encompasses a complex of reservoirs, pumping plants, power plants, canals, and tunnels owned and operated by the DWR. State water, which primarily originates north of the Sacramento-San Joaquin Delta, is transported from the Delta to serve water contractors in the San Francisco Bay area, the San Joaquin Valley, and Southern California. All of the initially planned 642-mile aqueduct and pipeline system is operational with the last 100 miles of the Coastal Branch Phase II substantially completed and placed into operation in August 1997.

DWR has previously completed what is known as the Coastal Branch Phase I, which branches off the California Aqueduct in the southwestern corner of Kings County near Interstate 5. The Coastal Branch Phase I is a 15-mile canal that ends near Devils Den in northwestern Kern County.

The Coastal Branch Phase II pipeline, which was constructed by DWR between 1995 and 1997 to supply State water to San Luis Obispo and Santa Barbara Counties, runs from the Coastal Branch Phase I terminus over the coastal

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2013/14 Budget

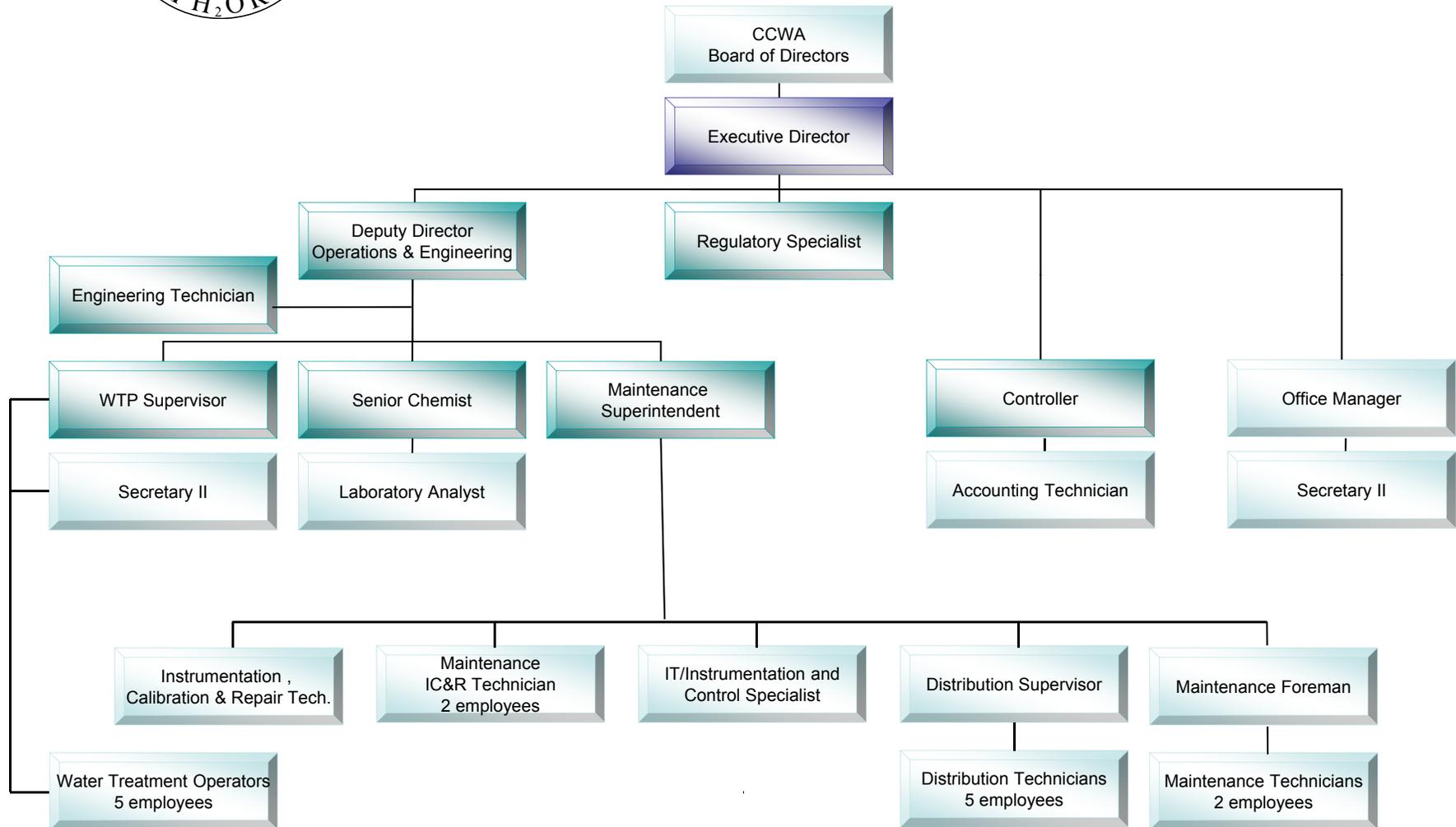
mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

The CCWA Extension begins at a diameter of 39 inches at Tank 5, continuing south to a point near Lompoc where it turns east, reducing to a diameter of 30 inches along the way. Water flows by gravity to the Santa Ynez Pumping Plant. At this facility, the chloramines used for disinfection are removed (a process called dechloramination) and the water is then pumped into Lake Cachuma through a 30-inch diameter pipe that was originally used to deliver Cachuma Project water to the Santa Ynez River Water Conservation District, Improvement District No. 1.

The water treatment plant receives raw water from the Coastal Branch Phase II and, after treatment, returns the water to the Coastal Branch Phase II. The plant is sized at 50 million gallons per day to accommodate the maximum annual entitlement of both counties. The plant uses conventional modern treatment units for filtration and disinfection of surface water in conformance with the relevant regulations of the California Department of Public Health.

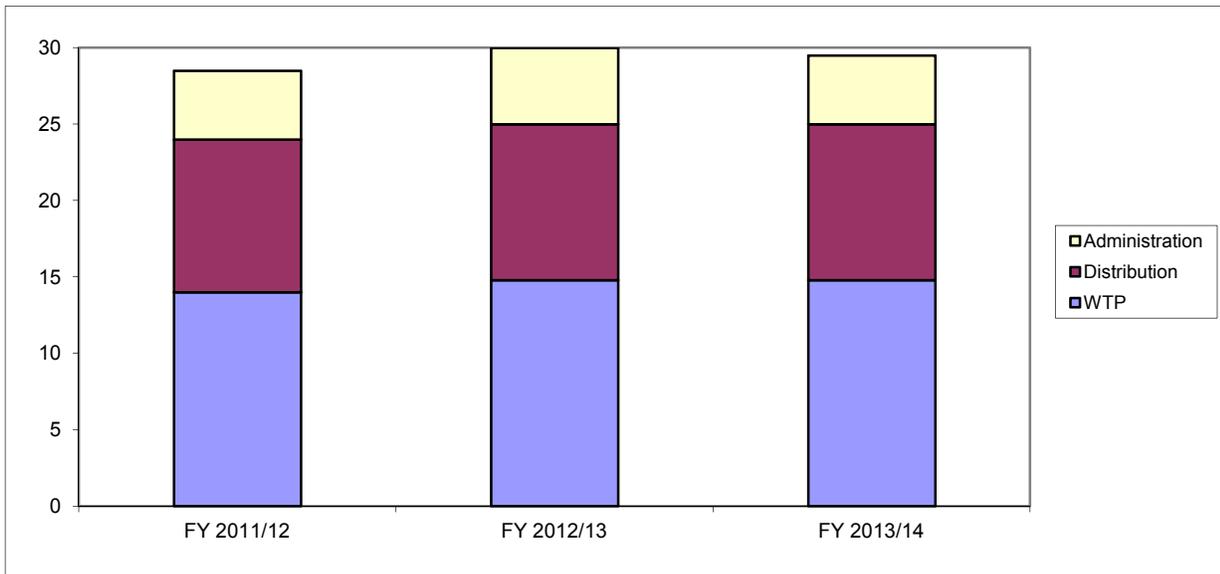


Central Coast Water Authority Organization Chart FY 2013/14



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2013/14 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2011/12	Authorized FY 2012/13	Requested FY 2013/14	Over FY 2011/12	Over FY 2012/13
Executive Director	1.00	1.00	1.00	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager	1.00	1.00	-	(1.00)	(1.00)
Regulatory Specialist	1.00	1.00	1.00	-	-
Controller	-	-	1.00	1.00	1.00
Senior Accountant	1.00	1.00	-	(1.00)	(1.00)
Office Manager	-	-	1.00	1.00	1.00
Secretary II	2.50	2.50	1.50	(1.00)	(1.00)
Accounting Technician	-	0.50	1.00	1.00	0.50
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Manager	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	1.00	2.00	2.00	1.00	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	28.50	30.00	29.50	1.00	(0.50)



Central Coast Water Authority
Budget Process
Fiscal Year 2013/14 Budget

Fiscal Year Budget

The Authority's fiscal year budget is one of the most important documents prepared by the Authority. Through the process of planning and preparing the budget, the Authority is given the opportunity to reassess its plans and goals for the coming and future years. The process also provides direction for management and staff.

In December of each year, the Authority's staff prepares a list of goals and objectives by department and general area of responsibility. The annual goals and objectives are reviewed by the Executive Director and refined as appropriate. The goals are then presented to the Board of Directors at the regular January Board meeting.

Ten Year Financial Plan

The Ten Year Financial Plan is prepared to provide the project participants pro forma projections of the Authority's expenditures and includes projections for both the CCWA and DWR portions of the budget. DWR provides projections for each of these years for both the fixed and variable costs, and the CCWA expenses are generally projected with a 3% inflation factor to all operating expenses.

The Ten Year Financial Plan is prepared only as an informational tool and is not formally adopted by the Board of Directors. The financial plan is presented to the Operating Committee and is used by the member agencies and other project participants for their planning and long-term budgeting purposes.

The various components of the budget are compiled, including "pass-through" charges from the Department of Water Resources (DWR) and Warren Act charges paid to the U.S. Bureau of Reclamation (*see the Revenues and Sources of Cash section for a description of Warren Act Charges*). While these expenditures are not considered expenses for the Authority, the charges are collected by the Authority and paid to the respective agencies; therefore, they are included in the budget.

The requested budget is prepared recognizing the Board approved organization-wide and departmental goals. All Authority goals must be funded within the budget to allow each goal to be accomplished. Stated another way, there are no unfunded mandates.

Central Coast Water Authority
Budget Process
Fiscal Year 2013/14 Budget

Committee Review of the Budget

The initial review of the budget is presented to the Finance and Operating Committees each March. Each of these Committees provides input to staff regarding the requested budget. As required by California's Brown Act and Public Records Act, both meetings are posted at least 72 hours, and typically one week, in advance of the meetings inviting the public to attend and provide input regarding the proposed budget.

Board Adoption of the Fiscal Year Budget

Initial review of the preliminary budget by the Board of Directors occurs during its March regular meeting. The Board reviews the proposed budget and makes changes as it deems appropriate. After staff amends the budget reflecting the Board's direction, the amended budget is then resubmitted to the Board for final review and adoption. This process may continue until staff and the Board have reached a budget suitable for Board approval. Approval of the final budget typically occurs at the regular April Board meeting. The budget is approved by motion and majority vote of the Board. All of these meetings are posted for public participation.

Budget Amendment Process

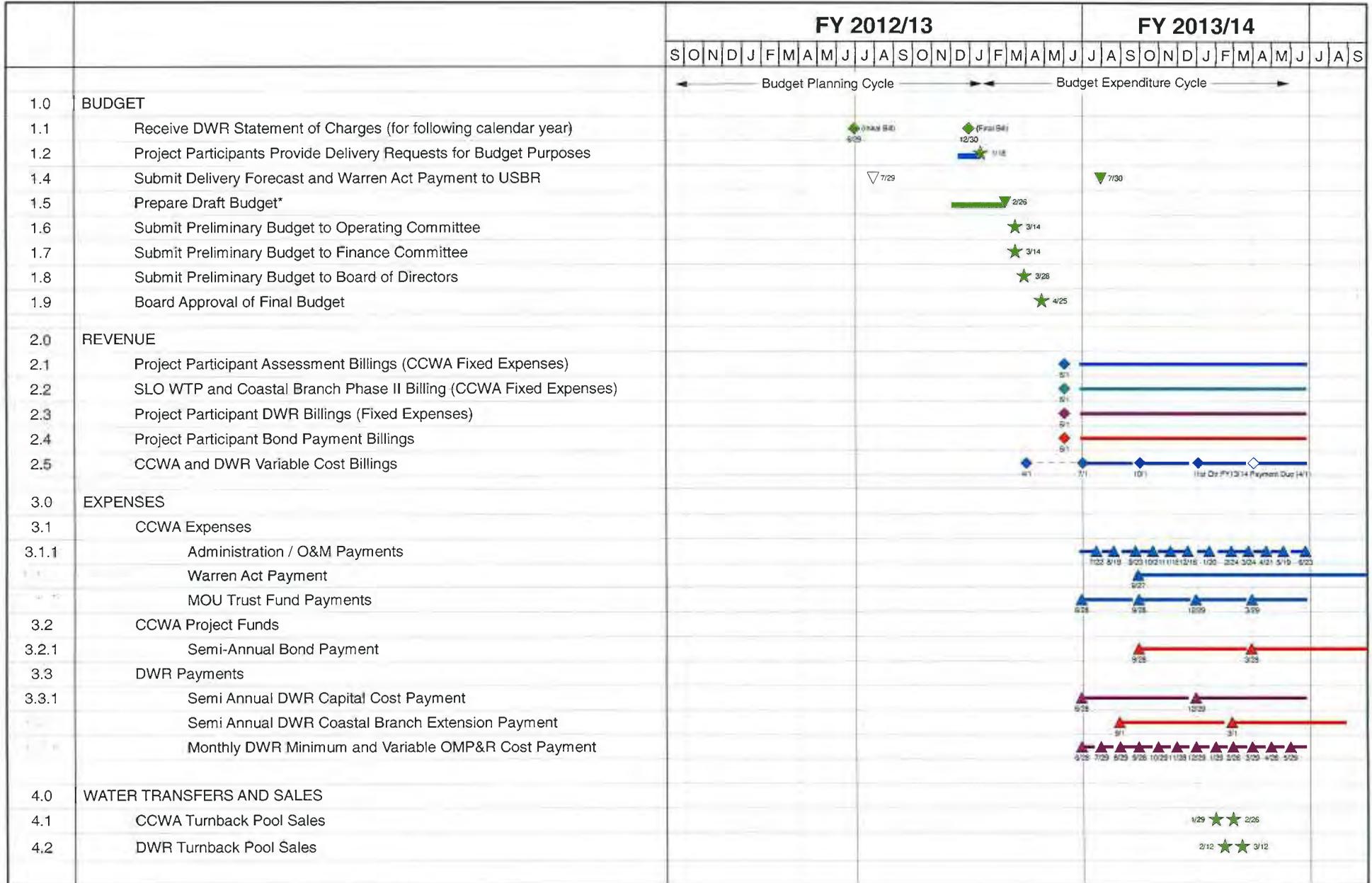
The budget may only be amended during the year by Board action. This process involves requests by staff to the Board for additional funding. The Board considers the requests of staff at regularly scheduled meetings and approves or rejects the requests by motion and majority vote.

CCWA Financial Schedule FY 2013/14

The Financial Schedule on the following page provides a graphical overview of the major financial milestones that occur for the budget preparation and the corresponding revenue and expenditure cycles.

CCWA FINANCIAL SCHEDULE

FISCAL YEAR 2013/2014



*Contains the FY 2013/2014 Budget and the Four-Year Financial Plan for FY 2013/14 through FY 2016/17



Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2013/14 Budget

Budget Reporting

For budgetary reporting purposes, the Central Coast Water Authority uses the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred. Non-cash expense items such as depreciation expense for fixed assets and accrued compensated absences are excluded from the budget.

The Authority operates under one fund for budgetary purposes. However, the Authority’s various departments and budget preparation are segregated into subsections as follows:

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II

Santa Ynez I

Santa Ynez II

DWR Reaches

Reach 33B

Reach 34

Reach 35

Reach 37

Reach 38

For further information on the various cost centers within the Distribution Department subsection, please see the discussion of financial reaches in the section titled “Distribution Department.”

Financial Statement Reporting

The Authority operates as a proprietary fund-type. All proprietary fund-types are accounted for on a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Where appropriate, net total assets (i.e., fund equity) are segregated into contributed capital and retained earnings. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2013/14 Budget

The Fiscal Year 2013/14 Budget document has been prepared after analyzing, evaluating, and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate the Authority's past and future.

The Authority's management believes that a successful budget should contain the following ingredients for it to be useful to the individuals using the information:

1. **Worthy Purpose** There should be clear goals for the budget. The goals and objectives of the Authority should dictate the Authority's budget.
2. **Participative Ownership** Budget ownership and the motivation to make it work will only occur when there is significant decision making involvement at the levels of implementation.
3. **Reporting System** A good budgeting system must be fully integrated with the Authority's reporting (i.e., accounting) system. That is, the accounting system and the budgeting system should be consistent in account classifications and methods of accounting for data, time periods, etc. Ease of understanding is enhanced when the budgeted data and the accounting system mirror each other.
4. **Support of Management** In any well-organized budgeting system, support from top management is essential for the system to be effective. By being involved in establishing the budget concepts and procedures as well as reviewing budget variations, the Board will lend support to the rest of the Authority and create acceptance and promote effective use of the budgeting system by all.

BUDGET POLICIES

- The primary budgetary objective is to provide the highest possible level of service to the Authority's project participants without impairing the Authority's sound financial condition. Continual efforts will be made to improve productivity, lower costs, and enhance services.
- The Authority will endeavor to keep current expenditures less than current revenues. Current expenditures are defined as operating expenses, debt payment, and capital improvement expenditures. The Authority will strive to operate within the approved budgetary amounts to avoid subsequent billings to the member agencies and other project participants for over-expenditures.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2013/14 Budget

- The Authority will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues and expenditures/expenses to budgeted amounts.
- Laws and policies limiting revenue sources and expenditures must be explicitly addressed in the budget process.
- No Unfunded Mandates The Board of Directors will not establish a goal or policy without also providing the necessary funding to accomplish those goals or policies.
- Budget Change Policy The adopted budget may only be changed by Board action. Budget change requests may be made by staff to the Board of Directors at a regularly scheduled Board meeting. The Board will then consider the requests based on staff's recommendations and approve or deny the requests by a majority vote.
- Bond Coverage Policy The project participants have covenanted to collect sufficient revenues to maintain net revenues of 125% of all State water payments made to the Central Coast Water Authority. Net revenues are defined as gross revenues minus operating expenses and excluding depreciation. The Authority's staff will assist project participants in guaranteeing compliance with this covenant.
- Reconciliation of Charges The Authority will endeavor to reconcile differences between actual expenditures incurred and amounts billed to the member agencies and other project participants in a timely manner. Under-expenditures in the budget will be returned to project participants as credits in subsequent billings.
- Investment Income Allocation The Authority will endeavor to provide timely allocation of investment income to the member agencies and other project participants for payments covering 2006 revenue bond debt service and DWR charges.
- DWR Charges and Credits The Authority will endeavor to provide sufficient information to the member agencies and other project participants regarding the DWR charges to enable them to gain a full understanding of the charges. Additionally, the Authority will provide credits given by DWR on the next available billing sent to the project participants.
- Ten Year Financial Plan In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a ten year financial plan which provides estimates of the total State water costs for the ten-year period.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2013/14 Budget

- Distribution Department Financial Reach Allocation Percentages The Authority will amend the Distribution Department financial reach allocation percentages for fixed O&M costs based on the actual costs incurred by financial reach. These percentages will be based on the actual percentages from the Yearend Budget Report two years prior to the current budget year.
- Spare Parts Inventory The Authority will track the purchase of spare parts inventory greater than \$2,000 and allocate costs to the appropriate financial reach when the spare parts are actually used at a specific location or financial reach.
- Appropriated Contingency No expenditure will be made from the Appropriated Contingency account without prior approval from the Board of Directors.
- Staff Salary Pool Policy The overall salary pool will consist of two separate pools: (1) a pool for all employees excluding the Executive Director and Deputy Director, and (2) a pool - i.e., proposed salary treatment - for the Executive Director and Deputy Director.

The Authority will calculate and include in the proposed budget a salary pool with a cost of living component and a merit increase component. The merit increase percentage will be three percent (3%). The cost of living percentage will be the annual percentage change computed each year in December based on the Los Angeles-Riverside-Orange, CA Consumer Price Index for All Urban Consumers.

The employee pool will be calculated by multiplying the resulting salary pool percentage (merit increase percentage and cost of living percentage) by the actual annual salaries for all employees at the time the budget is prepared based on full staffing (excluding the Executive Director and Deputy Director). The Executive Director and Deputy Director's pool will be calculated by multiplying the resulting salary pool percentage (merit increase percentage and cost of living percentage) by his or her actual annual salary at the time the budget is prepared. The two pools are then added together to determine the overall salary pool for budget purposes.

The CCWA Board of Directors shall administer the Executive Director and Deputy Director's pay treatment separate from the employee salary pool and the Executive Director shall administer the pay treatment (i.e., the employee pool) for all other CCWA employees.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2013/14 Budget

- Employee Benefits Funding Benchmark The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability, and life insurance as a proportion of the full-time regular wages budget for the fiscal year. If the EBP exceeds 38%, staff will provide alternatives for Board consideration so that the revised EBP remains at or below 38%.
- Budget Transfer Policy If CCWA staff determine funds are available in an Operations and Maintenance or Project account, staff may transfer available funds to other accounts and/or projects which were not anticipated in the CCWA Board adopted budget with the approval of the Finance Committee Chairperson, or alternatively, the CCWA Board Chairperson. Transfer of funds for projects and/or one-time expenditures cannot exceed \$10,000. Staff will prepare a summary of the Budget Fund Transfers which will include the source and destination of the funds, financial reaches impacted and justification for the transfer. A summary of the approved transfers will be included on the CCWA Board Consent Calendar as part of the next regularly scheduled Board meeting.
- Self-Funded Dental/Vision Plan Annual Limits and Premium Amounts The CCWA self-funded Dental/Vision plan annual limit on total expenditures for each covered employee and the corresponding premium amount will increase at the beginning of each plan year by the December to December percentage change of the Los Angeles/Riverside All Urban Consumers, Consumers Price Index.

CAPITAL IMPROVEMENTS POLICY

- Long-Range CIP Plan The Authority will identify long-range capital projects and capital improvements of all types which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.
- CIP Paid from Current Revenues When appropriate, capital improvements will be paid through current revenue sources rather than financing capital projects over a period of time.

DEBT POLICY

- Debt Financing The Authority will use debt financing when it is judged to be appropriate based on the long-term capital needs of the Authority and the

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2013/14 Budget

Authority's ability to repay the indebtedness has been evaluated in light of all sources and uses of cash.

- Long-Term Debt The Authority will only incur long-term debt for the financing of capital improvements that are not expected to recur and are long-lived. Conversely, if the capital requirements are recurring, of relative small scale, or are for short-lived improvements, the cost of these improvements should be paid from current revenues.

RESERVE POLICY

- The Authority will maintain an Operations and Maintenance Reserve Fund in the amount of \$2 million. Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities.

INVESTMENT POLICY

- The Authority will operate its idle cash investments under the prudent person rule which states: "...in investing...property for the benefit of another, a trustee shall exercise judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs...."
- The criteria for selecting investments and the order of priority:
 - (1) Safety, which refers to the potential loss of principal, interest or a combination of the two.
 - (2) Liquidity, which refers to the ability to "cash-in" at any moment in time with a minimal chance of losing some portion of principal or interest.
 - (3) Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

- Monthly Budget Reports The Authority's Controller will produce monthly budget reports covering the activity for the current period.
- Independent Audit The Authority will employ an independent accounting firm to perform an annual audit of the Authority's financial statements, and make the audit available to all required and interested parties.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2013/14 Budget

- Budget Preparation The Authority will prepare an annual budget document that provides a basic understanding of the Authority's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for customer input prior to final adoption of the budget.
- Accounting System The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. The Authority will strive to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.
- Budget Awards The Authority will annually submit its budget to the Government Finance Officers' Association for consideration of the Distinguished Budget Presentation Award.



Close Interval Survey Training - January 2013

Budget Summary

The Budget Summary section of the FY 2013/14 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document as well as cost per acre-foot amounts based on the FY 2013/14 Budget.

Highlights

Budget Summary

• FY 2013/14 Gross Budget	\$ 56,024,293
• FY 2012/13 Gross Budget	<u>\$ 51,345,624</u>
Increase:	\$ 4,678,668
• FY 2013/14 CCWA Credits	\$ 501,039
• FY 2012/13 CCWA Credits	<u>\$ 559,996</u>
Decrease:	\$ (58,957)
• FY 2013/14 Net Budget (After CCWA Credits)	\$ 55,523,253
• FY 2012/13 Net Budget (After CCWA Credits)	<u>\$ 50,785,628</u>
Increase:	\$ 4,737,624

Significant Budget Changes

- DWR Fixed cost increase of \$5.4 million due to prior year reduction in charges for the correction of errors in the DWR Statement of Charges and the return of extraordinary DWR credits
- DWR Variable cost decrease of \$1.2 million due to a decrease in off-aqueduct charges
- CCWA Fixed O&M Expense budget increase of \$290,440
- CCWA Variable O&M Expense budget decrease of \$130,618
- CCWA capital improvement projects budget increase of \$72,000

Central Coast Water Authority

Budget Summary

Fiscal Year 2013/14 Budget

	FY 2011/12		FY 2012/13		Change from FY 2012/13 Budget	Change from FY 2012/13 Est. Actual
	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget		
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
SOURCES OF CASH						
CCWA Operating Expenses ⁽¹⁾	6,868,067	7,133,936	7,133,936	7,554,995	421,059	421,059
Debt Service Payments	11,506,416	11,569,637	11,569,637	11,508,383	(61,254)	(61,254)
Capital Improvement Projects	188,523	168,141	168,141	239,915	71,774	71,774
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	86,531	-	100,000	-	-	(100,000)
CCWA Credits	-	(559,996)	(559,996)	(501,039)	58,957	58,957
Subtotal Revenues	18,649,537	18,311,718	18,411,718	18,802,254	490,536	390,536
<i>Pass-Through Expenses</i>						
DWR Fixed Costs	31,366,111	27,884,475	27,884,475	33,324,313	5,439,838	5,439,838
DWR Variable Costs	2,200,040	4,531,494	4,531,494	3,277,796	(1,253,698)	(1,253,698)
Warren Act Charges	51,229	57,942	57,942	118,891	60,949	60,949
Subtotal Pass-Through Expenses	33,617,380	32,473,911	32,473,911	36,720,999	4,247,088	4,247,088
TOTAL SOURCES OF CASH	52,266,917	50,785,629	50,885,629	55,523,253	4,737,624	4,637,624
USES OF CASH						
<i>CCWA Operating Expenses</i>						
Personnel	3,566,218	4,131,035	3,967,401	4,154,292	23,257	186,891
Office Expenses	19,935	19,520	15,937	18,850	(670)	2,913
Supplies and Equipment	853,991	1,299,185	916,857	1,343,317	44,132	426,460
Monitoring Expenses	58,651	71,760	70,562	75,305	3,545	4,743
Repairs and Maintenance	201,597	214,025	170,297	216,460	2,435	46,163
Professional Services	171,473	228,509	189,141	322,369	93,860	133,228
General and Administrative	228,531	231,901	235,192	232,816	915	(2,376)
Utilities	233,200	300,279	228,559	410,750	110,471	182,191
Other Expenses	472,946	637,722	515,315	780,836	143,114	265,521
<i>Total Operating Expenses</i>	5,806,541	7,133,936	6,309,262	7,554,995	421,058	1,245,733
<i>Other Expenditures</i>						
Warren Act Charges	51,229	57,942	57,942	118,891	60,949	60,949
Capital Improvement Projects ⁽¹⁾	365,801	168,141	168,141	239,915	71,774	71,774
CCWA Credits	-	(559,996)	(559,996)	(501,039)	58,957	58,957
2006 Revenue Bond Debt Service	11,506,416	11,569,637	11,569,637	11,508,383	(61,254)	(61,254)
Unexpended O&M Assessments	970,778	-	924,674	-	-	-
<i>Total Other Expenditures</i>	12,894,224	11,235,724	12,160,398	11,366,150	130,426	130,426
<i>Total CCWA Expenditures</i>	18,700,766	18,369,660	18,469,660	18,921,145	551,484	1,376,159
<i>DWR Charges</i>						
Fixed DWR Charges	31,366,111	27,884,475	27,884,475	33,324,313	5,439,838	5,439,838
Variable DWR Charges	2,200,040	4,531,494	4,531,494	3,277,796	(1,253,698)	(1,253,698)
<i>Total DWR Charges</i>	33,566,151	32,415,969	32,415,969	36,602,108	4,186,139	4,186,139
TOTAL USES OF CASH	52,266,917	50,785,629	50,885,629	55,523,253	4,737,624	5,562,299
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0	-
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ 0	\$ (0)	\$ 0	\$ -		

(1) Includes carryover revenues from the prior year.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2013/14 Budget

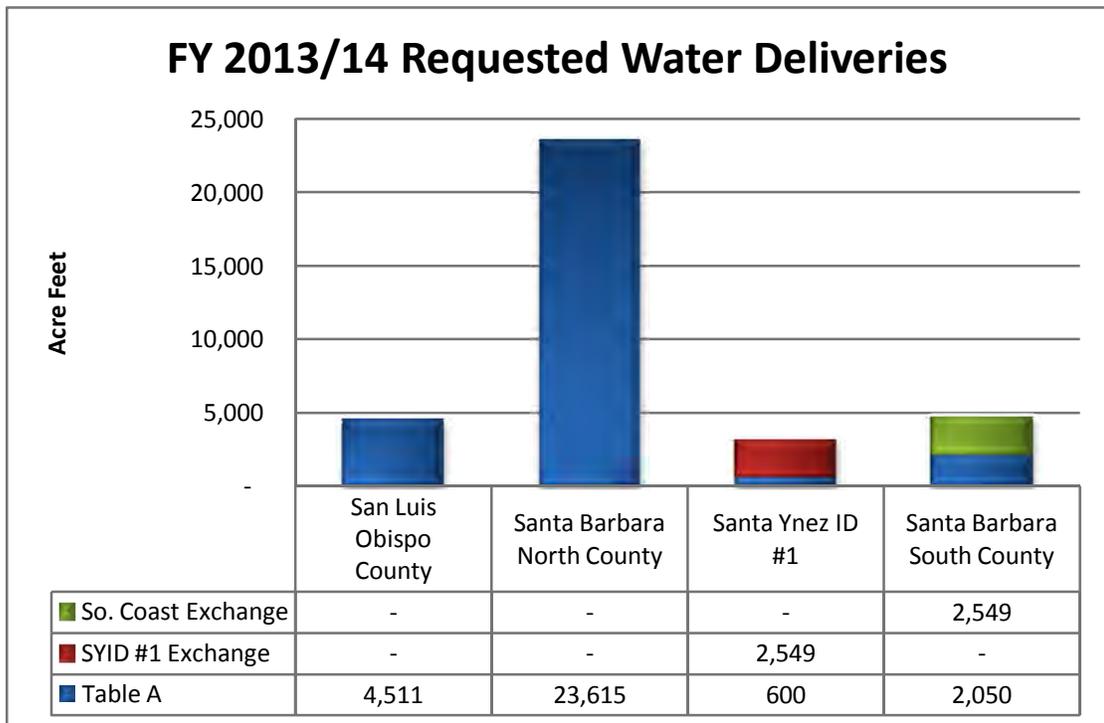
Project Participant	Unadjusted	Unadjusted	Exchange	Exchange	Regional	Regional	Adjusted	Warren Act	2006A			Non-Annual	CCWA	Total
	Fixed CCWA	Variable CCWA	Agreement	Agreement	WTP	WTP			Revenue	Bond Debt	Subtotal			
	Operating	Operating	Cap. & Fixed	Variable	Allocation	Allocation	Charge	Charges (2)	Service	FY 2013/14	Expenses	Amount Due	CCWA	
	Expense (1)	Expense								CCWA				
Guadalupe	68,303	17,286	-	-	\$23,933	\$0	\$109,523	-	163,920	\$273,443	-	(\$892)	\$ 272,551	
Santa Maria	1,988,508	542,083	-	-	\$707,287	-	3,237,878	-	-	3,237,878	-	(186,088)	3,051,790	
Golden State Water	65,420	18,901	-	-	\$21,984	-	106,306	-	-	106,306	-	(7,994)	98,312	
Vandenberg AFB	776,130	215,805	-	-	\$242,389	-	1,234,324	-	-	1,234,324	-	(143,771)	1,090,553	
Buellton	96,928	23,599	-	-	\$25,538	-	146,066	-	290,387	436,453	-	(8,549)	427,903	
Santa Ynez (Solvang)	247,342	49,033	-	-	\$65,407	-	361,783	-	891,960	1,253,742	-	(18,797)	1,234,945	
Santa Ynez	83,381	22,021	366,883	93,512	\$134,083	-	699,879	-	334,979	1,034,857	-	(2,021)	1,032,837	
Goleta	865,883	33,725	(132,140)	(33,680)	\$147,875	(\$515,878)	365,786	-	2,811,290	3,177,076	-	(36,937)	3,140,139	
Morehart Land	38,484	25,820	-	0	\$8,778	(\$36,142)	36,940	11,600	129,129	177,669	-	(18,810)	158,859	
La Cumbre	192,418	96,050	-	0	\$43,222	(\$171,311)	160,379	43,152	618,056	821,587	-	(2,402)	819,186	
Raytheon	9,621	7,100	-	0	\$2,208	(\$9,219)	9,710	3,190	27,018	39,919	-	(3,793)	36,125	
Santa Barbara	577,255	9,748	(38,327)	(9,769)	\$112,848	(\$393,671)	258,085	-	1,728,188	1,986,273	-	(700)	1,985,573	
Montecito	577,255	170,755	(137,687)	(35,094)	\$87,111	(\$332,888)	329,453	60,949	2,031,240	2,421,641	-	(5,654)	2,415,987	
Carpinteria	384,837	14,989	(58,729)	(14,969)	\$65,722	(\$229,279)	162,571	-	1,161,301	1,323,872	-	(4,183)	1,319,689	
Shandon	8,111	-	-	-	-	-	8,111	-	13,044	21,156	-	-	21,156	
Chorro Valley	192,546	85,799	-	-	-	-	278,345	-	1,039,165	1,317,510	-	(26,745)	1,290,765	
Lopez	209,980	79,747	-	-	-	-	289,728	-	268,706	558,434	-	(33,702)	524,732	
TOTAL:	6,382,402	\$1,412,464	(0)	0	\$1,688,386	(\$1,688,386)	\$7,794,866	\$118,891	\$11,508,383	\$19,422,140	\$0	(501,039)	\$18,921,100	

(1) Includes capital improvement projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES						TOTAL DWR and CCWA
	Transportation Capital Through Reach 35	Transportation Capital Through Reach 37	Transportation Capital Through Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Interest Income	Total DWR Charges	
Guadalupe	\$ 270,443	\$ -	\$ -	\$ 100,329	\$ 23,624	\$ 28,861	\$ 423,258	\$ -	\$ 53,524	\$ 53,524	\$ (832)	\$ 475,950	\$ 748,501
Santa Maria	7,965,781	660,913	-	3,016,067	695,844	850,077	13,188,682	-	1,681,956	1,681,956	(22,655)	14,847,982	17,899,772
Golden State Water	245,857	20,399	-	91,209	21,477	26,237	405,178	-	61,184	61,184	(858)	465,504	563,816
Vandenberg AFB	2,704,432	224,384	367,939	1,003,294	236,243	288,606	4,824,899	-	551,514	551,514	-	5,376,413	6,466,966
Buellton	284,211	23,581	38,667	105,438	24,827	30,339	507,063	-	76,339	76,339	(973)	582,429	1,010,332
Santa Ynez (Solvang)	730,939	61,196	100,347	265,134	62,680	72,013	1,292,310	-	164,507	164,507	(2,341)	1,454,476	2,689,421
Santa Ynez	252,491	20,399	33,449	99,700	23,226	32,934	462,199	16,410	82,859	99,269	(895)	560,573	1,593,410
Goleta	2,212,717	183,587	301,041	802,324	193,290	236,132	3,929,091	29,090	134,954	164,044	(7,165)	4,085,971	7,226,110
Morehart Land	98,343	8,159	13,380	36,483	8,591	10,495	175,451	-	8,595	8,595	(1,236)	182,809	341,669
La Cumbre	491,715	40,797	66,898	182,417	42,953	52,474	877,254	-	81,040	81,040	(2,493)	955,802	1,774,988
Raytheon	24,586	2,040	3,345	9,121	2,148	2,624	43,863	-	5,644	5,644	(96)	49,411	85,536
Santa Barbara	1,475,145	122,391	200,694	534,882	128,860	157,422	2,619,394	-	17,136	17,136	(4,251)	2,632,279	4,617,852
Montecito	1,475,145	122,391	200,694	534,882	128,860	157,422	2,619,394	-	253,003	253,003	(10,309)	2,862,088	5,278,075
Carpinteria	983,430	81,594	133,796	356,588	85,907	104,948	1,746,263	-	60,040	60,040	(2,853)	1,803,450	3,123,139
Goleta 2500 AF	22,967	-	-	101,368	23,404	119,232	266,971	-	-	-	-	266,971	266,971
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	21,156
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,290,765
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	524,732
TOTAL:	\$ 19,238,201	\$ 1,571,831	1,460,251	\$ 7,239,237	\$ 1,701,934	\$ 2,169,816	\$ 33,381,269	\$ 45,501	\$ 3,232,295	\$ 3,277,796	\$ (56,957)	\$ 36,602,108	\$ 55,523,253

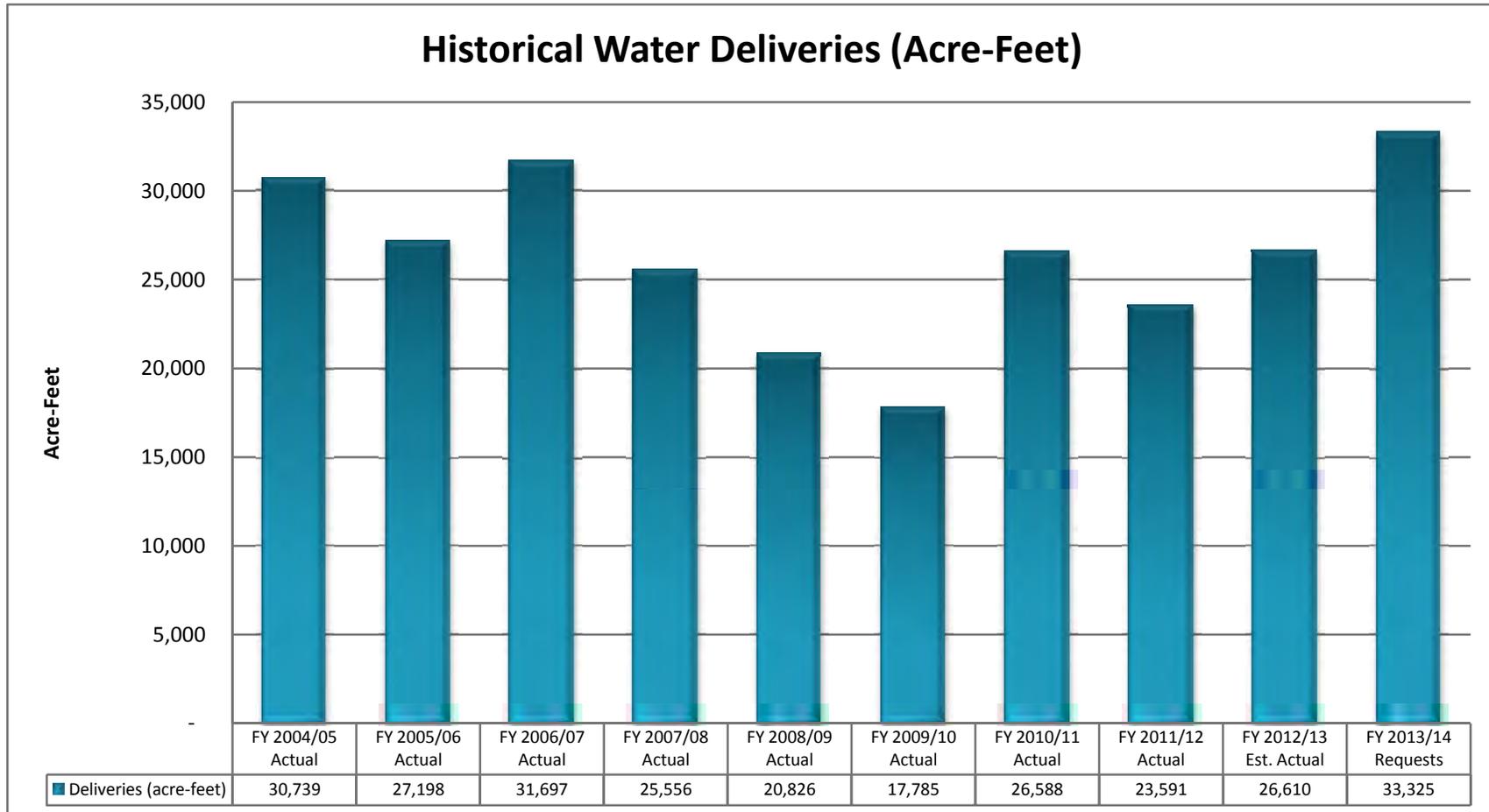
Central Coast Water Authority
FY 2013/14 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	2,173	-	2,173
Chorro Valley	2,338	-	2,338
Guadalupe	471	-	471
Santa Maria	14,770	-	14,770
Golden State Water	515	-	515
VAFB	5,880	-	5,880
Buellton	643	-	643
Solvang	1,336	-	1,336
Santa Ynez	600	2,549	3,149
Goleta	918	(918)	0
Morehart	200	-	200
La Cumbre	744	-	744
Raytheon	55	-	55
Santa Barbara	266	(266)	(0)
Montecito	2,007	(956)	1,051
Carpinteria	408	(408)	0
TOTAL:	33,325	0	33,325



Santa Ynez ID#1 exchanges its Lake Cachuma entitlement for an equal amount of the Santa Barbara County south coast project participant State water. The amounts in the graph above show both the Santa Ynez ID#1 exchanged State water and the South coast Cachuma water taken in the exchange.

Central Coast Water Authority
Ten-Year Water Delivery History
(Fiscal Year)



Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2013/14 Budget

To calculate the cost per acre-foot of water to the CCWA project participants, one must distinguish between the various “cost-types” and the various “water-types.”

Cost-Types

The two cost-types are fixed and variable costs.

Fixed costs include all CCWA and DWR costs which do not vary with the quantity of water delivered to the project participant, and generally, include CCWA fixed operations and maintenance costs, CCWA revenue bond payments and DWR fixed costs.

Variable costs include all CCWA and DWR costs which are only incurred if the project participant takes water deliveries. These include power (electrical) costs to pump the water and chemical costs to treat the water.

Water-Types

When discussing the cost per acre-foot, there are generally three (3) different “types” of water delivered by CCWA.

FY 2013/14 Table A Fixed Cost Per Acre-Foot

As described above, this includes all costs which do not vary with the quantity of water delivered to the project participant.

Project Participant	Table A Amount	Fixed Cost Per Acre-Foot	
		Fixed Costs Excluding CCWA Credits	Fixed Cost Per Acre-Foot
Guadalupe	550	\$ 677,352	\$ 1,231.55
Santa Maria	16,200	15,823,243	976.74
Golden State Water C	500	490,379	980.76
VAFB	5,500	5,828,060	1,059.65
Buellton	578	917,264	1,586.96
Santa Ynez (Solvang)	1,500	2,491,188	1,660.79
Santa Ynez ⁽¹⁾	500	1,005,521	1,800.60
Goleta	4,500	7,098,910	1,577.54
Morehart	200	332,874	1,664.37
La Cumbre	1,000	1,625,632	1,625.63
Raytheon	50	78,458	1,569.16
Santa Barbara	3,000	4,601,380	1,533.79
Montecito	3,000	4,930,849	1,643.62
Carpinteria	2,000	3,067,263	1,533.63
TOTAL:	39,078	\$ 48,968,373	

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2013/14 Budget

Fixed Cost Per Acre-Foot Difference Between Project Participants

As the above shows, there are significant differences between the fixed cost per acre-foot for each of the project participants. Explanations for these differences include:

Bond Financing vs Capital Deposits The City of Santa Maria, Golden State Water Company, and Vandenberg Air Force Base all contributed cash for their respective share of the construction costs of the CCWA facilities. As such, their fixed cost per acre-foot is lower because they are not paying the CCWA revenue bond payments.

Location Along the CCWA Pipeline As general rule, a project participant only pays to get the water to their location, which includes capital facilities necessary to deliver the water to each project participant. Therefore, a project participant which is higher upstream of the pipeline will have less capital costs than a project participant which is located further downstream.

Revenue Bond Capitalized Interest Elections During construction of the CCWA project facilities, all financing participants were able to elect to pay for their share of the revenue bond interest expense beyond the initial three years, with revenue bond proceeds, up to a total of five years (also referred to as “capitalized interest” elections). Certain financing participants elected longer capitalized interest elections which increase their total borrowing costs and therefore, they have a higher fixed cost per acre-foot.

Customized Revenue Bond Repayment Elections In order to offset the near-term higher costs of State water during the first ten (10) years of revenue bond repayments, all financing participants were given the option of electing customized revenue bond repayment elections consisting of gradually increasing debt service payments over the first ten years and then level debt service payments afterwards; decreased debt service payments for the first ten years and then a large step-up for the remaining term or level debt service for the entire revenue bond repayment term. Those financing participants that elected customized (i.e., escalating or step-up) repayment elections have higher debt service payments which is reflected in their higher fixed cost per acre-foot.

Financing of Local Facilities When the CCWA revenue bonds were issued to finance construction of the CCWA project facilities, certain financing

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2013/14 Budget

participants requested that CCWA also finance certain local facilities to be constructed by individual project participants. Those financing participants that elected to finance their local facilities with the CCWA revenue bonds have higher revenue bond debt service payments which are reflected in their higher fixed cost per acre-foot.

FY 2013/14 Table A Variable Cost Per Acre-Foot

This represents the variable costs for all water deliveries excluding exchange water deliveries to the South Coast project participants. Generally, these amounts include the CCWA power and chemical costs, adjustments for the variable Regional Water Treatment Plant Allocation (retreatment charge and credits), DWR variable costs and Warren Act and Trust Fund payments for Table A deliveries into Lake Cachuma for the South Coast project participants (*please refer to the Water Treatment Plant section of this Budget for additional information on the Regional Water Treatment Plant Allocation*).

Project Participant	Table A Amount	FY 2013/14 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES							Table A Variable Cost/AF
		Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	550	471	-	471	\$ 17,287		\$ 1,230		\$ 60,242		\$ 78,758	\$ 167.21
Santa Maria	16,200	14,770	-	14,770	542,086		38,575		1,889,103		2,469,765	167.21
Golden State Water C	500	515	-	515	18,901		1,345		65,869		86,116	167.21
VAFB	5,500	5,880	-	5,880	215,807		15,357		752,060		983,224	167.21
Buellton	578	643	-	643	23,599		1,679		82,241		107,519	167.21
Santa Ynez (Solvang)	1,500	1,336	-	1,336	49,034		3,489		170,876		223,399	167.21
Santa Ynez ⁽¹⁾	500	600	2,549	3,149	22,021		8,224		76,741		106,986	167.21
Goleta	4,500	918	(918)	0	33,692	92	1	(13)	117,413	21	151,207	-
Morehart	200	200	-	200	7,340	18,489	522	(7,341)	25,580	11,600	56,190	280.95
La Cumbre	1,000	744	-	744	27,306	68,778	1,943	(27,310)	95,159	43,152	209,028	280.95
Raytheon	50	55	-	55	2,019	5,084	144	(2,019)	7,035	3,190	15,452	280.95
Santa Barbara	3,000	266	(266)	(0)	9,763	-	(0)	43	34,022	(9)	43,817	-
Montecito	3,000	2,007	(956)	1,051	73,661	97,065	2,745	(38,499)	256,698	60,949	452,618	280.95
Carpinteria	2,000	408	(408)	0	14,974	92	0	(79)	52,184	9	67,181	-
TOTAL:	39,078	28,816	(2)	28,814	\$ 1,057,490	\$ 189,600	\$ 75,255	\$ (75,219)	\$ 3,685,222	\$ 118,912	\$ 5,051,261	

(1) Santa Ynez fixed cost amounts exclude the fixed and capital exchange agreement modifications, which are shown under the Exchange Agreement cost per acre-foot analysis. Also adjusted for the retreatment allocation charge to the exchange deliveries.

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2013/14 Budget

FY 2013/14 Exchange Variable Cost Per Acre-Foot

This represents the cost per acre-foot for water exchanged between the Santa Ynez River Water Conservation District, ID#1 (Santa Ynez, ID#1) and the South Coast exchange participants (*please refer to the Water Treatment Plant section of this Budget for additional information on the Santa Ynez Exchange Agreement*). These costs include the CCWA variable costs paid by Santa Ynez, ID#1, the Polonio Pass Water Treatment Plant fixed and capital amounts paid by Santa Ynez, ID#1 to the south coast project participants, and the DWR variable costs paid by the South Coast exchange participants.

Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,549	\$ 93,512	\$ 366,883	-	\$ 460,395	\$ 180.62
Goleta	(918)			\$ 117,367	117,367	127.90
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(266)			34,042	34,042	127.90
Montecito	(956)			122,294	122,294	127.90
Carpinteria	(408)			52,163	52,163	127.90
TOTAL:	0	\$ 93,512	\$ 366,883	\$ 325,867	\$ 786,262	

Year-End Reconciliation and Adjustments to Cost Per Acre-Foot Amounts

At the close of each fiscal year all costs are reconciled or “trued-up” to the fiscal year budget and actual billings to the project participants. This reconciliation process results in adjustments to all cost components. Additionally, the amounts included in the CCWA budget for DWR variable costs, generally exclude certain credits that are returned on an annual basis. Therefore, when the DWR variable costs are trued-up, the total cost per acre-foot generally decreases when compared to the calculated amount in the budget.



Cathodic Testing Station (CTS) Repair – July 2012

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2013/14 Budget includes information on the Authority's revenues, pass-through receipts and a narrative explanation on the Authority's billing procedures and cash management.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2013/14 Budget

The Authority's Revenue budget is comprised of payments made by member agencies and other project participants for Authority operating expenses, debt service on the Authority's revenue bonds and investment income. Additionally, there are other payments made by the project participants that are treated as pass-through expenses. These pass-through expenses represent payments for the Department of Water Resources and Warren Act charges paid to the U.S. Bureau of Reclamation; they are not considered revenues for the Authority. These payments are collected by the Authority and paid directly to the two agencies by the Authority.

Assumptions for Revenue Projections

Since the Authority is a "pass-through" organization, ***all revenues are equal to the expenditures included in the budget.*** As such, there is no difference between the revenue estimates and the expenditures because the revenues are equal to the expenditures.

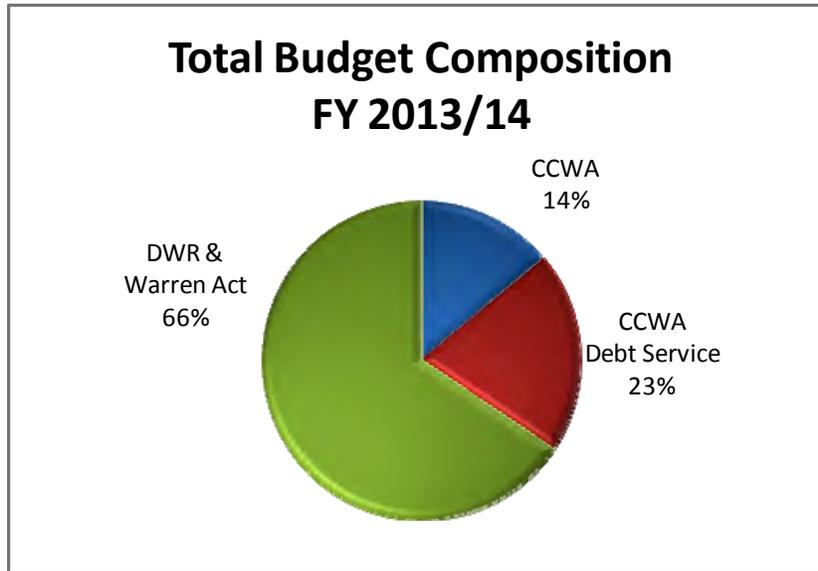
Revenues and Other Sources of Cash

Revenues	FY 2011/12 Actual	FY 2012/13 Estimated Actual	FY 2013/14 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 6,868,067	\$ 7,133,936	\$ 7,554,995
Debt Service Payments	11,506,416	11,569,637	11,508,383
Capital Improvement Projects (CIP)	188,523	168,141	239,915
Investment Income	86,531	100,000	-
Subtotal Revenues	18,649,537	18,971,714	19,303,293
Pass-Through Expenses			
DWR Fixed Costs	31,904,035	27,959,475	33,381,269
DWR Variable Costs	2,200,040	4,531,494	3,277,796
DWR Account Interest	(537,925)	(75,000)	(56,957)
Warren Act Charges ⁽¹⁾	51,229	57,942	118,891
Subtotal Pass Through Expenses	33,617,380	32,473,911	36,720,999
Gross Budget Before Credits	52,266,917	51,445,625	56,024,293
Credits and Prepayments	-	(559,996)	(501,039)
TOTAL SOURCES OF CASH	\$52,266,917	\$50,885,629	\$55,523,254

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2013/14 Budget

Revenues and Other Sources of Cash



FY 2012/13 Actual Cash Receipts

The actual cash receipts for FY 2012/13 are anticipated to be less than the actual expenditures for the year because of credits given to the project participants for (1) unexpended operating expense assessments for FY 2011/12, (2) interest income for FY 2011/12, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

CCWA Operating Expense Revenues

The Authority's operating expense revenues are billed directly to project participants in accordance with their Water Supply Agreements. After the total operating expense budget has been determined, it is adjusted based on the "Santa Ynez Exchange Agreement" modifications (*see the Water Treatment Plant section to this document for further information on the Exchange Agreement*). These Exchange Agreement modifications decrease the electrical costs at the Santa Ynez Pumping Facility. This modified amount is billed to the affected member agencies.

The amounts billed to the member agencies and other Santa Barbara County project participants are further adjusted for the "WTP Regional Allocation" (*see the Water Treatment Plant section to this document for further information on the WTP Regional Allocation*). The WTP Regional Allocation does not adjust the total revenues received by the Authority, but it does affect the amount of the payments by the various member agencies and other project participants.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2013/14 Budget

The following table shows the Authority's operating expense budget and capital improvement projects modified as a result of the Regional Water Treatment Plant modifications and the Santa Ynez Exchange Agreement resulting in the net operating expense revenues to the Authority.

***TOTAL CCWA FY 2013/14 OPERATING EXPENSES
 AND CAPITAL IMPROVEMENT PROJECTS***

Project Participant	CCWA Fixed Operating Expenses	CCWA Variable Operating Expenses	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment Cap. and Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 68,303	\$ 17,286	\$ 23,933	\$ -	\$ -	\$ -	\$ 109,523
Santa Maria	1,988,508	542,083	707,287	-	-	-	3,237,878
Golden State Water Co.	65,420	18,901	21,984	-	-	-	106,306
Vandenberg AFB	776,130	215,805	242,389	-	-	-	1,234,324
Buellton	96,928	23,599	25,538	-	-	-	146,066
Santa Ynez (Solvang)	247,342	49,033	65,407	-	-	-	361,783
Santa Ynez	83,381	22,021	134,083	-	366,883	93,512	699,879
Goleta	865,883	33,725	147,875	(515,878)	(132,140)	(33,680)	365,786
Morehart Land	38,484	25,820	8,778	(36,142)	-	-	36,940
La Cumbre	192,418	96,050	43,222	(171,311)	-	-	160,379
Raytheon	9,621	7,100	2,208	(9,219)	-	-	9,710
Santa Barbara	577,255	9,748	112,848	(393,671)	(38,327)	(9,769)	258,085
Montecito	577,255	170,755	87,111	(332,888)	(137,687)	(35,094)	329,453
Carpinteria	384,837	14,989	65,722	(229,279)	(58,729)	(14,969)	162,571
Shandon	8,111	-	-	-	-	-	8,111
Chorro Valley	192,546	85,799	-	-	-	-	278,345
Lopez	209,980	79,747	-	-	-	-	289,728
TOTAL:	\$6,382,402	\$1,412,464	\$1,688,386	(\$1,688,386)	\$ -	\$ -	\$ 7,794,866

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2013/14, are **\$7,794,866**.

Please refer to the *“Operating Expenses”* section of this budget for additional information regarding the Operating Expense reimbursement payments from the CCWA project participants.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2013/14 Budget

Debt Service Payments

The debt service payments on the 2006 Revenue Bonds issued by the Authority are paid entirely by the financing participants based on their proportional share of the project capital costs. Payments by the financing participants for debt service are treated as revenue by the Authority.

For FY 2013/14, total net revenue for debt service payments will be \$10,649,948 or about \$94,000 less than the FY 2012/13 revenues. The following table shows each financing participant's share of the debt service. Please refer to the "CCWA Bond Debt" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2013/14 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2013/14 Net Debt Service Revenue
Avila Beach	\$ 13,175	\$ (1,963)	\$ 11,212
California Men's Colony	115,237	(43,842)	71,395
County of SLO	122,758	(46,755)	76,002
Cuesta College	57,623	(21,924)	35,699
Morro Bay	743,547	(335,376)	408,171
Oceano	96,327	(13,372)	82,955
Pismo Beach	159,205	(22,078)	137,126
Shandon	13,044	(1,580)	11,465
Guadalupe	163,920	(57,019)	106,901
Buellton	290,387	(9,281)	281,106
Santa Ynez (Solvang)	891,960	(24,756)	867,203
Santa Ynez	334,979	(10,971)	324,008
Goleta	2,811,290	(140,945)	2,670,345
Morehart Land	129,129	(649)	128,480
La Cumbre	618,056	(3,244)	614,812
Raytheon	27,018	(857)	26,162
Santa Barbara	1,728,188	(30,769)	1,697,418
Montecito	2,031,240	(48,950)	1,982,289
Carpinteria	1,161,301	(44,102)	1,117,199
TOTAL:	\$ 11,508,383	\$ (858,435)	\$ 10,649,948
(1) 2006A revenue bond principal and interest, minus FY 2012/13 debt service account interest income credits plus bond trustee fees.			
(2) Payments from project participants for local facilities financed with CCWA revenue bonds.			

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2013/14 Budget

FY 2013/14 CCWA Credits

The following table shows a summary of the FY 2013/14 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$0	\$128	\$ 764		\$892
Santa Maria	162,770	3,780	19,539		186,088
Golden State Water Co.	7,877	117	-		7,994
Vandenberg AFB	143,771	-	-		143,771
Buellton	7,238	135	1,177		8,549
Santa Ynez (Solvang)	15,686	350	2,761		18,797
Santa Ynez	-	117	1,904		2,021
Goleta	35,887	1,050	-		36,937
Morehart Land	17,257	47	-	1,506	18,810
La Cumbre	387	233	1,781		2,402
Raytheon	3,439	12	-	342	3,793
Santa Barbara	-	700	-		700
Montecito	-	700	4,954		5,654
Carpinteria	-	467	3,717		4,183
Shandon					-
Oceano CSD					-
Avila Beach CSD					-
Pismo Beach					-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	26,745				26,745
Lopez	33,702				33,702
TOTAL:	\$454,760	\$7,835	\$36,597	\$1,848	\$501,039

Investment Income and Cash Management

The Authority does not include investment income in the revenue budget. However, all cash balances are invested by the Treasurer and investment earnings are allocated to the various project participants depending on the funds being invested.

The Authority's Treasurer is responsible for the investment of all Authority funds within the parameters of the Board adopted investment policy.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2013/14 Budget

Bank Account Cash Balances

The Authority has three demand deposit bank accounts, one general account at the California Local Agency Investment Fund (LAIF) and various money market accounts. All these accounts earn interest income based on the average outstanding balance for each period the funds are available. Interest income associated with these accounts is allocated by financial reach (*see the Distribution Department section for information on financial reaches*) based on the average outstanding balance for the month.

Debt Service Payments

Payments made by the financing participants for debt service payments on the 2006 Revenue Bonds are held in a separate account and invested in accordance with the Authority's investment policy with investment maturities corresponding to the debt service payment dates. Investment income within this account is allocated to the financing participants based on the proportional amount initially paid.

Investment Income

Investment income associated with the debt service payments and DWR payments is not treated as investment income for CCWA. It is instead recorded as a liability to the project participants until the income is paid to the participants.

DWR Payment Investments

Payments made by project participants for subsequent payment to DWR are held in a separate account and invested in accordance with CCWA's investment policy with investment maturities corresponding to the anticipated payment dates to DWR. Investment income in this account is allocated to the various project participants based on their proportional amount initially paid. Investment income associated with the DWR payments is not treated as investment income for the Authority but is instead recorded as a liability to the project participants until paid to them.

CCWA Operating Expense Revenue

Revenues from assessments for the Authority's operating expense budget are invested in the Local Agency Investment Fund and money market accounts with the Authority's bank. Investment income from these accounts is treated as investment income for the Authority.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2013/14 Budget

Pass-Through Expenses

Certain amounts paid to the Authority by the project participants are treated as “pass-through” expenses for purposes of the budget. These expenses include payments to DWR and Warren Act charges.

As these expenses are paid by the project participants to the Authority, they are recorded as a liability, payable to the respective project participants. They are not considered revenues.

Warren Act Charges

Warren Act charges represent the cost of wheeling water through Cachuma Project facilities. These costs are paid to the U.S. Bureau of Reclamation for each acre-foot of water delivered to the lake.

There are two components to the Warren Act charges: (1) Trust Fund payments of \$43 an acre-foot and (2) Warren Act charges of \$15 per acre foot.

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2013/14.

Warren Act and Trust Fund Charges

Project Participant	Total FY 2013/14 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	0	\$ -
Morehart Land Co.	200	11,600
LaCumbre	744	43,152
Raytheon	55	3,190
Santa Barbara	(0)	-
Montecito	1,051	60,949
Carpinteria	0	-
TOTAL:	2,048	\$ 118,891

Central Coast Water Authority
Revenues and Sources of Cash
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The following table represents the Fiscal Year 2013/14 DWR and Warren Act charges to be collected and paid by the Authority (*see the Department of Water Resources section of this document for further information on the DWR charges*).

Project Participant	FY 2013/14 DWR Fixed Charges	FY 2013/14 DWR Variable Charges	FY 2013/14 Interest Income	FY 2013/14 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$423,258	\$53,524	(\$832)	\$ -	\$475,950
Santa Maria	13,188,682	1,681,956	(22,655)	-	14,847,982
Golden State Water Co.	405,178	61,184	(858)	-	465,504
Vandenberg AFB	4,824,899	551,514	-	-	5,376,413
Buellton	507,063	76,339	(973)	-	582,429
Santa Ynez (Solvang)	1,292,310	164,507	(2,341)	-	1,454,476
Santa Ynez	462,199	99,269	(895)	-	560,573
Goleta	4,196,062	164,044	(7,165)	-	4,352,941
Morehart Land	175,451	8,595	(1,236)	11,600	194,409
LaCumbre	877,254	81,040	(2,493)	43,152	998,954
Raytheon	43,863	5,644	(96)	3,190	52,601
Santa Barbara	2,619,394	17,136	(4,251)	-	2,632,279
Montecito	2,619,394	253,003	(10,309)	60,949	2,923,037
Carpinteria	1,746,263	60,040	(2,853)	-	1,803,450
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$33,381,269	\$3,277,796	(\$56,957)	\$118,891	\$36,720,999

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

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Authority Billing Procedures

All expenses of the Authority including operating expenses, debt service payments, capital purchases, and pass-through expenses are paid by the Authority's project participants.

The Water Supply Agreements provide guidelines to be followed when billing the Santa Barbara County project participants for the Authority charges. The Master Water Treatment Agreement, the Agreement for Construction, Operation and Maintenance of the Chorro Valley and Lopez Turnouts, and the Agreement for Coastal Branch Operations and Maintenance provide the guidelines to be followed when billing the San Luis Obispo County project participants for the Authority charges.

The agreements stipulate that the Fixed Authority and DWR costs will be billed to the project participants once a year and be due and payable on June 1st of each year. The Variable charges, which are based on the requested deliveries by each project participant, are billed three months in advance on a quarterly basis.

The project participants are billed for the Authority expenses based on the Board adopted fiscal year budget. Additionally, the fixed portion of the DWR charges is billed based on the most recent calendar year Statement of Charges and DWR projections.

DWR prepares its Statement of Charges on a calendar year basis. The DWR State Water Project Analysis Office (SWPAO) also supplies the Authority with projected estimates of the following calendar year charges. The current calendar year Statement of Charges and the SWPAO estimated charges are used to calculate the amount payable by the project participants for the budgeted fiscal year.

At the close of each fiscal year, a reconciliation is prepared comparing the actual expenditures for the Authority to the amount billed to the project participants. Under-expenditures in the budget including investment income are refunded to each project participant based on the actual results for the year. Over-expenditures are charged to each participant based on the actual results for the year.

Water Delivery Requests and Variable O&M Cost Invoices

Water Delivery Requests from Project Participants

In October of each year, DWR requests that each State water project contractor (SWPC) submit delivery requests for a five-year period on a calendar year basis commencing with the next calendar year. These requests are based on the following:

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There are basically two “tracks” that a SWPC can take with regard to delivery requests to DWR.

- (1) The “seller’s track”, which means that any SWPC water that is available to that contractor above their requested amount will be made available for sale through one of the DWR “turnback pools.” The turnback pools are a pool of unused water available by individual SWPC for sale to all SWPC and allocated in proportion to the Table A amount for each contractor requesting to buy the Turnback Pool water. The price received for water sold in Turnback pool A is one-half of the delta water rate (about \$23/AF for 2013) and one-quarter the delta water rate (about \$11.50/ for 2013) for Turnback pool B.
- (2) The “storer’s track”, which means the individual contractor wishes to store its unused current year water allocated by DWR in San Luis Reservoir to be used in the next calendar year.

For the past several years, CCWA has been on the storer’s track, which means that CCWA requests delivery of all water that is available to CCWA based on the total Table A amount of all the CCWA project participants times the current year allocation percentage from DWR. Any amounts not used by individual CCWA project participants is then “carried over” in San Luis Reservoir into the next calendar year to be used that year. Generally, this water carried over from the prior year is used first, before any of the current Table A water is used, as there is a risk that if San Luis Reservoir fills and spills, the water carried over from the prior year is lost (this is less of an issue now, but still a possibility).

SWPC cannot be on both the seller’s and storer’s tracks; it must be one or the other. As such, CCWA as a whole has selected to be on the storer’s track and individual project participants cannot elect to be on the seller’s track, except for the ability to sell water within CCWA.

CCWA project participants DO NOT pay variable costs based on water available to them in that particular year. Rather, the payment of variable costs for water is based on delivery requests based on estimated actual demand (discussed below).

Variable O&M Cost Billings to Project Participants

Pursuant to the Water Supply Agreements with each project participant, all CCWA costs are paid in advance of when the actual costs will be incurred. Fixed costs are paid annually on June 1st of each year for the ensuing fiscal year which begins on July 1st. Variable costs are paid quarterly, one quarter in advance of the quarter for which the costs are intended.

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The basis for the billings to the CCWA project participants is the annual fiscal year budget. The basis for the variable billings is requests from the project participants **based on their estimated demand for the year.** The idea is that project participants should provide delivery requests based on their estimated demand and then CCWA will attempt to meet that demand through the combination of various water sources that are available including, the current DWR Table A allocation, carryover water, dry year water purchase programs, purchases from other CCWA project participants, turnback pool purchases, etc.

The quarterly variable O&M costs are based on the requested water deliveries from each project participant. ***NOTE: The requested water deliveries may be, and many times are, different from the amount of water that is available to the project participant from DWR discussed above.*** For example, a project participant may have water available based on the current DWR Table A allocation percentage and/or carryover water from the prior year, but not have the need, or demand for that water. Conversely, the amount of water currently available from the DWR current year allocation may not be sufficient to meet the estimated demand (discussed above), but other sources may be available to meet that demand.

The quarterly variable invoices include both the CCWA variable O&M costs (electrical and chemical costs) and the DWR variable costs. The CCWA variable costs are billed to the project participants based on the budget amount for the entire year and there is no variation between the budget amount and the billed amount to the CCWA project participants.

The DWR variable costs are “trued-up” with each quarterly invoice. This means that each quarter, the actual costs incurred based on the actual water deliveries for the prior quarter are reconciled so that any difference, either positive or negative is adjusted on the current quarter’s invoice. Therefore, the DWR variable costs are constantly reconciled for differences between the requested water deliveries in the annual budget and the actual water delivered.

At the end of each fiscal year, a true-up and reconciliation of the entire fiscal year budget is performed. This reconciliation calculates the difference between the amounts billed to each project participant based on the budget and the actual costs incurred for the year. The result, either a credit or additional amount due, is provided or collected, usually in October of each year on the October 1st variable billing.

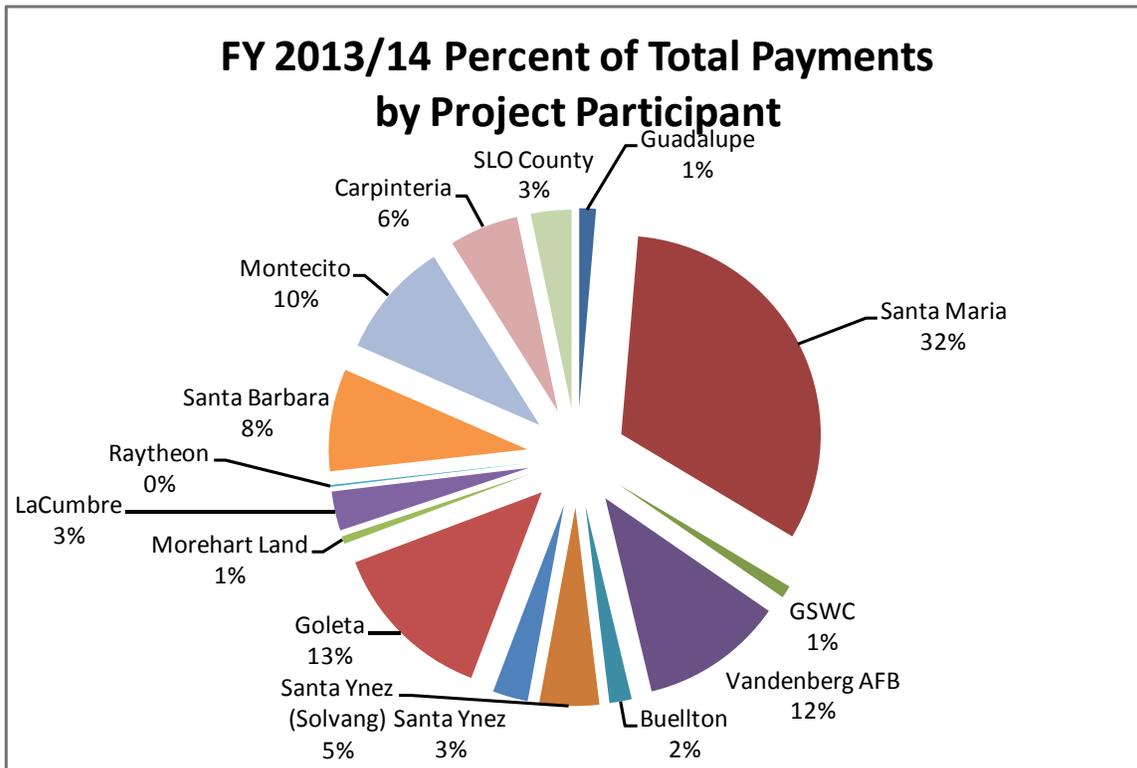
The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2013/14 for each project participant.

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Project Participant	FY 2013/14 Operating Expenses ⁽¹⁾	FY 2013/14 Debt Service Payments	FY 2013/14 DWR Costs	FY 2013/14 Warren Act Charges ⁽²⁾	FY 2013/14 CCWA Credits	FY 2013/14 Total Payments
Guadalupe	\$109,523	\$ 163,920	\$475,950	\$0	\$ (892)	\$748,501
Santa Maria	3,237,878	-	14,847,982	-	(186,088)	17,899,772
Golden State Water Co.	106,306	-	465,504	-	(7,994)	563,816
Vandenberg AFB	1,234,324	-	5,376,413	-	(143,771)	6,466,966
Buellton	146,066	290,387	582,429	-	(8,549)	1,010,332
Santa Ynez (Solvang)	361,783	891,960	1,454,476	-	(18,797)	2,689,421
Santa Ynez	699,879	334,979	560,573	-	(2,021)	1,593,410
Goleta	365,786	2,811,290	4,352,941	-	(36,937)	7,493,080
Morehart Land	36,940	129,129	182,809	11,600	(18,810)	341,669
La Cumbre	160,379	618,056	955,802	43,152	(2,402)	1,774,988
Raytheon	9,710	27,018	49,411	3,190	(3,793)	85,536
Santa Barbara	258,085	1,728,188	2,632,279	-	(700)	4,617,852
Montecito	329,453	2,031,240	2,862,088	60,949	(5,654)	5,278,075
Carpinteria	162,571	1,161,301	1,803,450	-	(4,183)	3,123,139
Shandon	8,111	13,044	N/A	-	-	21,156
Chorro Valley	278,345	1,039,165	N/A	-	(26,745)	1,290,765
Lopez	289,728	268,706	N/A	-	(33,702)	524,732
TOTAL:	\$7,794,866	\$11,508,383	\$36,602,108	\$118,891	(\$501,039)	\$55,523,253

(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.

(2) Adjusted for Santa Ynez Exchange Agreement Modifications.



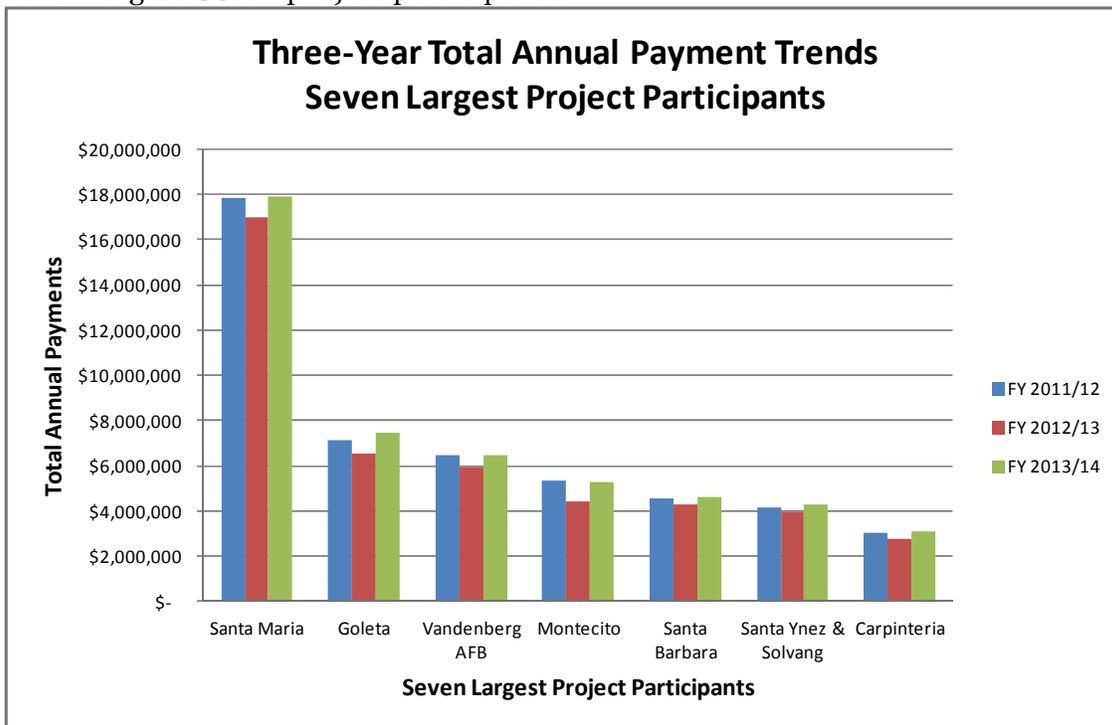
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The following table shows the three-year trend in total payments due for each project participant and the corresponding increase or (decrease).

Three-Year Total Payments History by Project Participant

Project Participant	Total	Total	Total	Change	Change
	Payments FY 2011/12	Payments FY 2012/13	Payments FY 2013/14	FY 2011/12 to FY 2012/13	FY 2012/13 to FY 2013/14
Guadalupe	\$726,821	\$ 672,385	\$748,501	\$ (54,436)	\$76,116
Santa Maria	17,865,306	16,955,461	17,899,772	(909,845)	944,311
Golden State Water Co.	575,304	505,944	563,816	(69,360)	57,872
Vandenberg AFB	6,484,381	5,922,592	6,466,966	(561,789)	544,374
Buellton	991,567	936,550	1,010,332	(55,017)	73,782
Santa Ynez (Solvang)	2,715,420	2,456,619	2,689,421	(258,801)	232,802
Santa Ynez	1,447,451	1,529,293	1,593,410	81,842	64,117
Goleta	7,131,387	6,542,518	7,493,080	(588,869)	950,562
Morehart Land	363,031	321,094	341,669	(41,937)	20,575
La Cumbre	1,871,967	1,533,187	1,774,988	(338,780)	241,801
Raytheon	93,186	87,059	85,536	(6,127)	(1,523)
Santa Barbara	4,568,848	4,278,083	4,617,852	(290,765)	339,769
Montecito	5,352,201	4,442,315	5,278,075	(909,886)	835,760
Carpinteria	3,058,031	2,798,006	3,123,139	(260,025)	325,133
Shandon	19,621	19,548	21,156	(73)	1,608
Chorro Valley	1,247,141	1,278,078	1,290,765	30,937	12,687
Lopez	503,176	506,897	524,732	3,721	17,835
TOTAL:	\$55,014,840	\$50,785,629	\$55,523,253	(\$4,229,571)	\$4,737,220

The following chart shows the three-year trend in total annual payments for the seven largest CCWA project participants.





Shandon

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2013/14 Budget provides information on the Authority's payments to DWR. This section includes information on the allocation of the fixed and variable DWR costs and other information regarding the FY 2013/14 DWR charges.

Highlights

Total FY 2013/14 DWR Charges **\$ 36,602,108**

- DWR Fixed Charges \$ 33,381,269
- DWR Variable Charges \$ 3,277,796
- Interest credits \$ (56,957)

Fixed Charge Highlights

- Total fixed charge increase over FY 2012/13 of \$5,451,788.
- Increase in Transportation Capital charges of \$1.3 million for prior year extraordinary DWR credits.
- Increase in Transportation Minimum OMP&R charges of about \$3.5 million due to the correction of DWR's overhead allocation percentages in the prior year.

Variable Charge Highlights

- Total variable charge decrease over FY 2012/13 of \$1,253,698.
- Estimated Variable OMP&R unit rate for 2013: \$120.00; 2014: \$125.00.

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Through the Santa Barbara County Flood Control and Water Conservation District (SBCFC&WCD), the Authority holds a contract with the Department of Water Resources (DWR) to purchase up to 45,486 acre-feet of water per year. The costs for this water are charged to the various Authority project participants.

The DWR charges include both fixed and variable components. The fixed costs represent costs that must be paid independent of the amount of water requested by the project participants. The variable costs vary based on delivery amounts and are comprised of power and power related costs.

DWR Billing Procedures

The DWR prepares its annual bill (“Statement of Charges”) on a calendar year basis and submits the bill to the Authority. The variable portion of the bill is based on the requested deliveries of the Authority’s project participants, which the Authority provides to DWR in October of the prior year. The fixed portion of the bill is based on the Authority’s State water Table A amount. The Delta Water Charge is billed by DWR net of Table A entitlement reductions (*see the sections entitled “Delta Water Charges” and “Table A Entitlement Reductions”*).

The Statement of Charges is allocated on a financial reach basis (*see the Distribution Department section of this budget for further information on financial reaches*). Invoices are then prepared by the Authority and forwarded to its project participants.

Summary of FY 2013/14 DWR Charges

The DWR charges for the first half of FY 2013/14 are based on the 2013 Statement of Charges. The DWR charges for the second half of FY 2013/14 are based on forecasts prepared by the DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of approximately \$481 million. Coastal Branch Extension capital charges are based on the allocation share of debt service principal and interest payments from the various DWR revenue bond debt issues allocated to repay the capital costs of the Coastal Branch Phase II.

The fixed DWR charges are allocated to the various project participants based on their State water Table A allocation. The variable DWR charges are allocated in proportion to the project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 75 shows fixed and variable DWR costs for each project participant.

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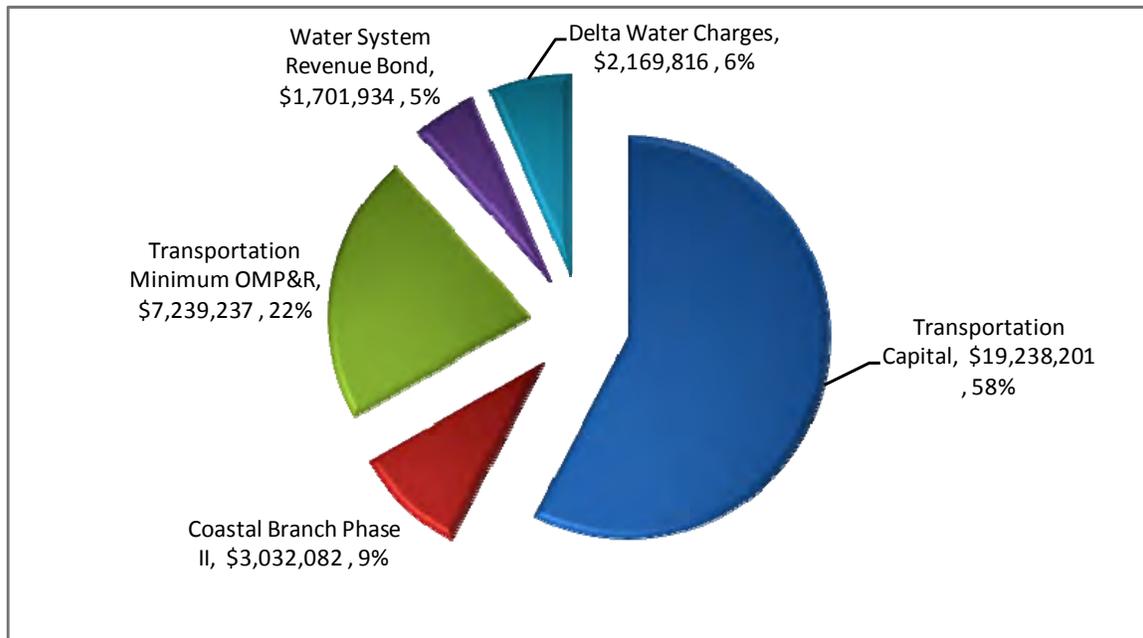
The following table provides a comparison of the FY 2011/12 through the FY 2013/14 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2011/12	FY 2012/13	FY 2012/13	FY 2013/14	FY 2013/14 Budget to FY 2012/13 Budget
	Actual	Budget	Est. Actual ⁽¹⁾	Budget	Increase (Decrease)
Transportation Capital	\$ 19,221,030	\$ 17,919,605	\$ 17,573,165	\$19,238,201	\$ 1,318,596
Coastal Branch Phase II	2,690,118	2,738,491	3,045,018	3,032,082	293,591
Transportation Minimum OMP&R	5,636,928	3,770,286	5,136,588	7,239,237	3,468,951
Water System Revenue Bond	1,300,946	1,459,227	1,505,562	1,701,934	242,707
Delta Water Charges	1,912,838	2,041,872	1,982,470	2,169,816	127,944
Subtotal Fixed DWR Charges	<u>30,761,860</u>	<u>27,929,481</u>	<u>29,242,803</u>	<u>33,381,269</u>	<u>5,451,788</u>
Off-Aqueduct Charges	(166,150)	1,306,300	362,364	45,501	(1,260,799)
Variable OMP&R	1,833,527	3,225,194	2,668,648	3,232,295	7,101
Subtotal Variable DWR Charges	<u>1,667,377</u>	<u>4,531,494</u>	<u>3,031,012</u>	<u>3,277,796</u>	<u>(1,253,698)</u>
DWR Account Investment Income	(21,371)	(45,007)	(87,000)	(56,957)	(11,950)
Total DWR Charges	<u>\$ 32,407,866</u>	<u>\$ 32,415,968</u>	<u>\$ 32,186,815</u>	<u>\$36,602,108</u>	<u>\$ 4,186,140</u>

(1) Includes the actual credits provided by DWR which were included in the fiscal year budget projections.

DWR FIXED COSTS

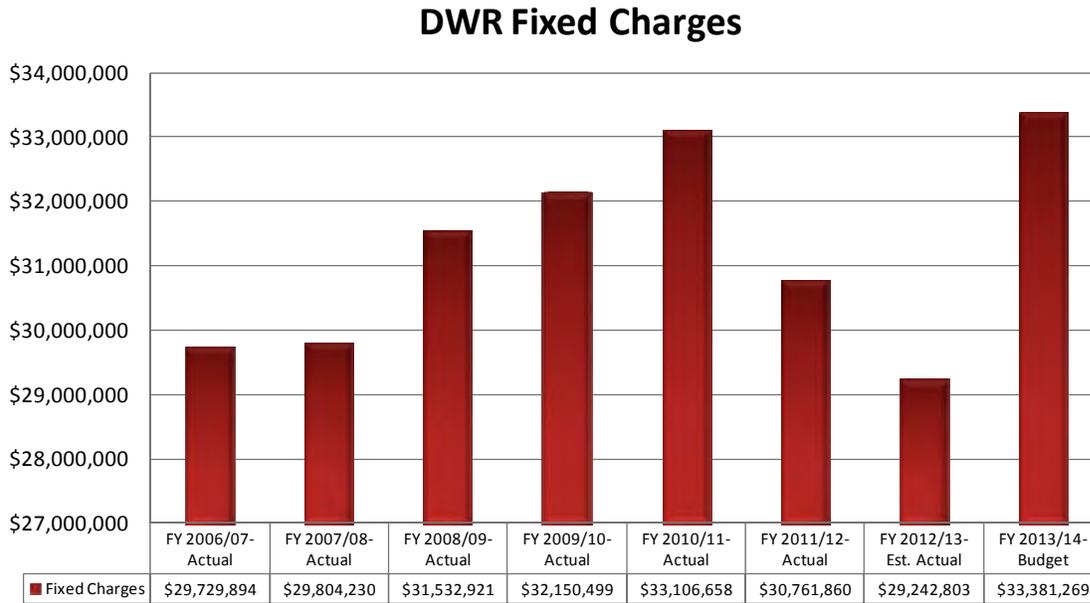
The DWR fixed costs are comprised of the following cost components:



The FY 2013/14 DWR fixed charges total \$33,381,269, which is \$5,451,788 more than the FY 2012/13 Budget. The reasons for the cost component variances are described later in this section.

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The following graph shows the eight-year trend in the DWR fixed costs.



Transportation Capital

The Transportation Capital cost component covers the use of facilities to transport water to the vicinity of each State water contractor’s turnouts. Generally, the charge represents each contractor’s proportionate share of the reimbursable capital costs and fixed operating costs.

The following table shows the allocation of the FY 2013/14 Transportation Capital charges to each of the CCWA project participants:

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TRANSPORTATION CAPITAL CHARGES

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate Management Funds Credit	Prior Year DWR Credits for Overpayments ⁽²⁾	FY 2013/14 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 320,414	\$ (30)	\$ (39,499)	\$ (10,441)	\$ 270,443
Santa Maria	16,200	41.46%	9,437,644	(895)	(1,163,422)	(307,547)	7,965,781
Golden State Water Co.	500	1.28%	291,285	(28)	(35,908)	(9,492)	245,857
VAFB	5,500	14.07%	3,204,138	(304)	(394,989)	(104,414)	2,704,432
Buellton	578	1.48%	336,726	(32)	(41,510)	(10,973)	284,211
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	866,199	(83)	(106,950)	(28,227)	730,939
Santa Ynez ⁽³⁾	500	1.28%	298,943	(28)	(36,682)	(9,742)	252,491
Goleta	4,500	11.52%	2,621,568	(249)	(323,173)	(85,430)	2,212,717
Morehart	200	0.51%	116,514	(11)	(14,363)	(3,797)	98,343
La Cumbre	1,000	2.56%	582,571	(55)	(71,816)	(18,984)	491,715
Raytheon	50	0.13%	29,129	(3)	(3,591)	(949)	24,586
Santa Barbara	3,000	7.68%	1,747,712	(166)	(215,448)	(56,953)	1,475,145
Montecito	3,000	7.68%	1,747,712	(166)	(215,448)	(56,953)	1,475,145
Carpinteria	2,000	5.12%	1,165,141	(110)	(143,632)	(37,969)	983,430
Subtotal:	39,078	100.00%	\$ 22,765,695	\$ (2,159)	\$ (2,806,431)	\$ (741,871)	\$ 19,215,234
Goleta Additional Table A	2,500	5.50%	27,032	-	(3,184)	(881)	22,967
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 22,792,727	\$ (2,159)	\$ (2,809,615)	\$ (742,752)	\$ 19,238,201

(1) Reach 36 was deleted during project design. DWR Reaches to the end of Coastal Branch Phase II consist of Reaches 1 to 35. The Coastal Branch extension consists of Reaches 37 and 38.
 (2) Credits for prior year(s) overpayments amortized by DWR through the year 2035.
 (3) Adjusted for transfer of the Solvang 150 acre foot drought buffer Table A to Santa Ynez.

The FY 2013/14 Transportation capital charges are increasing by \$1,318,595 due to the following:

Transportation Capital Budget-to-Budget Changes			
	FY 2012/13	FY 2013/14	Change
Calculated Component	\$ 22,663,020	\$ 22,792,727	\$ 129,707
Rate Management Credits	(2,437,961)	(2,809,615)	(371,654)
Excess Reserve Fund Credits	(1,482,170)	-	1,482,170
Prior Year Overcollection Credit	(733,840)	(742,752)	(8,912)
Other Adjustments	(89,443)	(2,159)	87,285
Total:	\$ 17,919,606	\$ 19,238,201	\$ 1,318,595

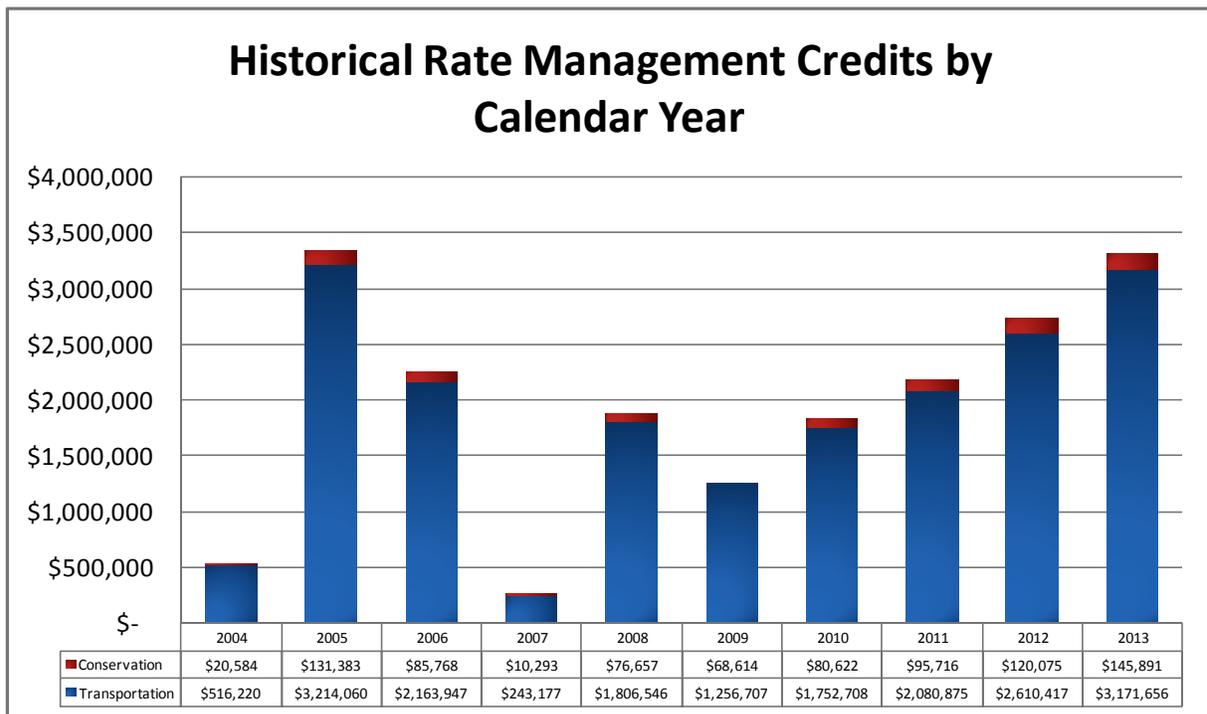
Rate Management Credits

One provision of the contract between CCWA and the Department of Water Resources provides for the reduction of capital charges based on excess revenues collected by DWR due to differences between collections from the State Water Project Contractors and the actual amounts paid for capital related charges. These credits are referred to as “rate management credits” and are allocated to each Contractor in proportion to their total repayment of capital charges to DWR. As such, CCWA receives a large portion of the annual rate management credits (currently about 9.00%) because our facilities were constructed in the

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1990's while most other Contractor's facilities were constructed in the 1960's so that CCWA's capital repayments to DWR are quite high when compared to other Contractors.

Each year, DWR prepares a financial analysis to determine the revenues that are available to pay rate management credits. Pursuant to the Contract, the maximum amount of rate management credits in any one year does not exceed \$40.5 million to all Contractors. There are a number of factors that can impact the revenues available to pay rate management credits, and therefore, the actual credits provided by DWR have been somewhat volatile as can be seen in the following graph showing the actual historical calendar year rate management credits provided by DWR.



The calendar year 2013 rate management credits are estimated to total \$3,317,547 (both Transportation Capital and Conservation Capital), of which \$780,000 was applied against the January 2013 DWR payments, and the remaining balance of \$2,537,547 is estimated to be applied against the July 2013 DWR payments. DWR allocates rate management credits so that an initial calculation is prepared to analyze the revenues available for rate management credits and one quarter of that amount is included in the current calendar year SOC. Then, after the close of the prior calendar year, DWR recalculates the revenues available for rate management credits, subtracts out the credits already provided

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and distributes a revised invoice applying the balance against the July payment to DWR. This revised calculation occurs in late April or early May each year. For this budget, it is estimated that DWR will have sufficient revenues in calendar year 2013 to pay 100% of rate management credits, or a total of \$3.3 million.

Excess Reserve Fund Credits and Interest Income

DWR amended its general bond resolution so that the cash reserves it is required to maintain for all outstanding revenue bonds are aggregated. In effect, this significantly reduced the reserve requirement DWR must maintain, and therefore DWR is able to credit these excess funds back to each Contractor.

CCWA's share of the excess reserve was about \$ million. Additionally, DWR had been retaining bond reserve fund interest earnings and released about \$10 million of the \$20 million in interest earnings, of which CCWA's share was approximately \$482,000. DWR provided these credits in the calendar year 2012 Statement of Charges which decreased the charges in the FY 2012/13 CCWA Budget.

Coastal Branch Extension-Transportation Capital Reach 37 and 38

This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according to DWR's actual construction costs for the project with 51.84% allocated to Reach 37 and 48.16% allocated to Reach 38.

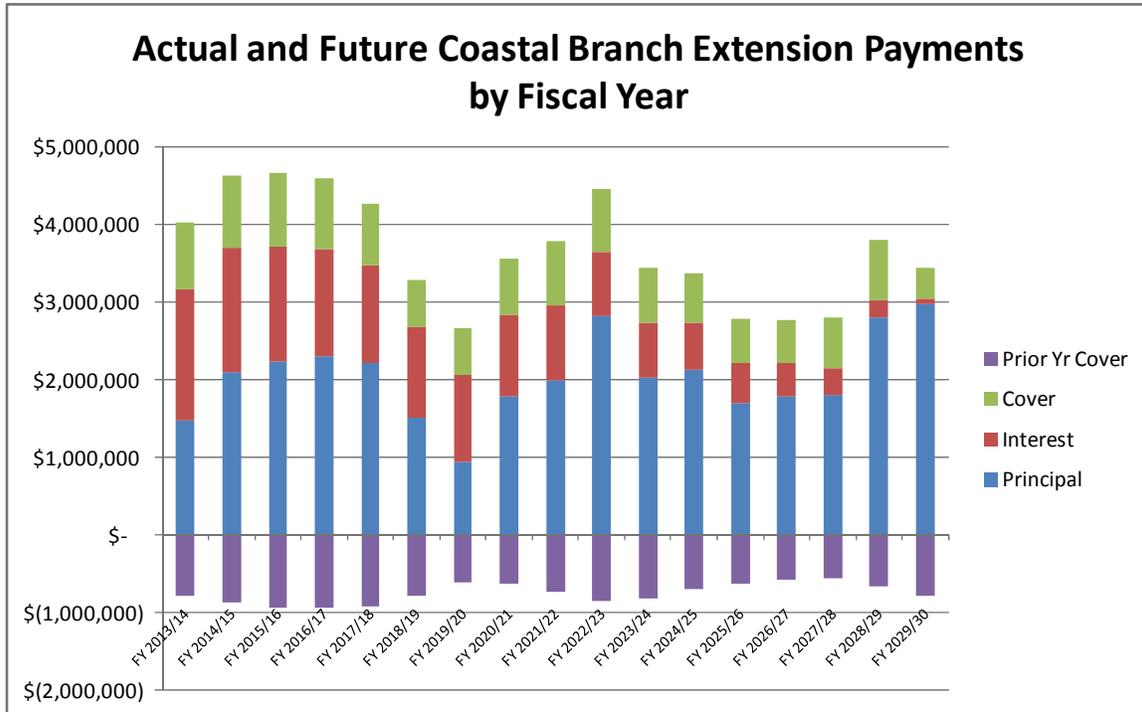
Coastal Branch Extension debt service payments for FY 2013/14 total \$3,032,082, which is \$137,546 higher than the prior year amount due to the following:

Coastal Branch Extension Debt Service				
	FY 2012/13		FY 2013/14	Change
Principal Payments	\$ 1,294,212	\$	1,481,974	\$ 187,762
Interest Payments	1,754,335		1,678,159	(76,176)
Bond Cover	798,611		868,061	69,450
Rate Management Credits	(181,778)		(211,010)	(29,232)
Return of Prior Year Cover	(770,844)		(785,102)	(14,258)
Total:	\$ 2,894,536	\$	3,032,082	\$ 137,546

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Principal, Interest and Bond Cover Changes

Over the years, DWR has refinanced some of the original bonds used to finance these facilities and the resulting debt service repayment fluctuates significantly between years as can be seen in the following graph.



In addition to the revenue bond principal and interest, DWR also collects bond cover or an additional 25% of revenue bond payments as an additional security for the bond holders. DWR holds one year of bond cover and then returns the prior year bond cover payments as credits.

Coastal Branch Extension Bond Allocation

CCWA is challenging DWR’s allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension. Total construction and finance related costs were around \$35 million for the project, but DWR is allocating approximately \$46 million in revenue bond principal payments to CCWA. Recently, DWR agreed that the additional bonds allocated above the construction costs is incorrect and that the bonds should be reallocated to the general water system for the State Water Project away from the Coastal Branch Extension.

DWR still has not finalized the corrections to the Coastal Branch Extension debt service schedules for the overallocation of revenue bonds above the

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construction costs. The corrections, once implemented, will reduce the total debt service costs for the Coastal Branch Extension facilities.

The following tables show the allocation of the DWR Coastal Branch Extension debt service amounts for FY 2013/14.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	Reach 37				Net Reach 37 Transp. Costs
	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	878,039	(217,126)	660,913
Golden State Water Co.	500	1.30%	27,100	(6,701)	20,399
VAFB	5,500	14.28%	298,100	(73,716)	224,384
Buellton	578	1.50%	31,328	(7,747)	23,581
Santa Ynez (Solvang)	1,500	3.89%	81,300	(20,104)	61,196
Santa Ynez	500	1.30%	27,100	(6,701)	20,399
Goleta	4,500	11.68%	243,900	(60,313)	183,587
Morehart	200	0.52%	10,840	(2,681)	8,159
La Cumbre	1,000	2.60%	54,200	(13,403)	40,797
Raytheon	50	0.13%	2,710	(670)	2,040
Santa Barbara	3,000	7.79%	162,600	(40,208)	122,391
Montecito	3,000	7.79%	162,600	(40,208)	122,391
Carpinteria	2,000	5.19%	108,400	(26,806)	81,594
Total:	38,528	100.00%	2,088,215	(516,384)	\$ 1,571,831

Project Participant	Reach 38				FY 2013/14	
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	Transportation Capital Charges
Guadalupe	-	0.00%	-	-	\$ -	-
Santa Maria	-	0.00%	-	-	-	660,913
Golden State Water Co.	-	0.00%	-	-	-	20,399
VAFB	5,500	25.20%	488,816	(120,877)	367,939	592,323
Buellton	578	2.65%	51,370	(12,703)	38,667	62,248
Santa Ynez (Solvang)	1,500	6.87%	133,313	(32,966)	100,347	161,543
Santa Ynez	500	2.29%	44,438	(10,989)	33,449	53,848
Goleta	4,500	20.62%	399,940	(98,899)	301,041	484,628
Morehart	200	0.92%	17,775	(4,396)	13,380	21,539
La Cumbre	1,000	4.58%	88,876	(21,978)	66,898	107,695
Raytheon	50	0.23%	4,444	(1,099)	3,345	5,385
Santa Barbara	3,000	13.74%	266,627	(65,933)	200,694	323,086
Montecito	3,000	13.74%	266,627	(65,933)	200,694	323,086
Carpinteria	2,000	9.16%	177,751	(43,955)	133,796	215,390
Total:	21,828	100.00%	1,939,978	(479,727)	\$ 1,460,251	\$ 3,032,082

(1) Includes credits for the return of bond cover of \$785,101 and Rate Management Funds Credits of \$211,010.

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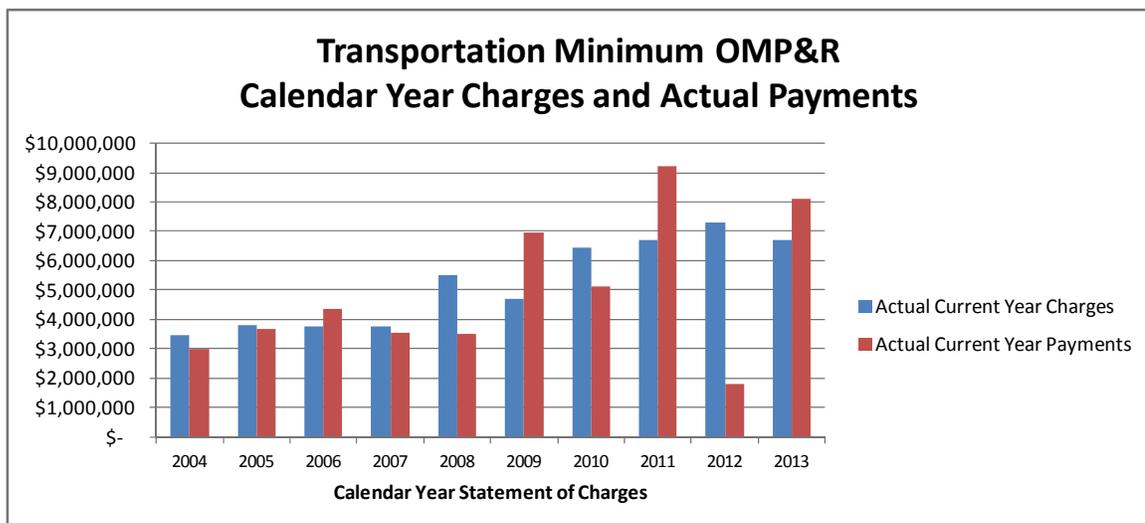
Transportation Minimum OMP&R

Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally, do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2013/14, total Transportation Minimum OMP&R charges are \$7,239,237, which is \$3,468,951 more than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2012/13	FY 2013/14	Change
Calculated Component	\$ 6,464,301	\$ 6,546,389	\$ 82,088
Prior Year (Over)/Under Collection	(2,551,570)	522,356	3,073,926
DHCCP Costs	349,096	170,492	(178,604)
Prior Year Credits	(187,541)	-	187,541
Transfers from other DWR accounts	(304,000)	-	304,000
Total:	\$ 3,770,286	\$ 7,239,237	\$ 3,468,951

DWR estimates the calendar year charges for each Contractor and then reconciles or “true’s-up” the actual charges incurred in the following year(s) resulting in either an over or under-payment of charges. The following graph shows the actual charges by calendar year and the actual payments from CCWA in that year, with the difference being either the over or under-collection.



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DWR Overhead Allocation Procedures

DWR uses a number of different allocation methods to allocate costs which are not specific to a particular project or financial reach. One of those allocation methods allocates “state-wide” costs to each financial reach based on the actual employee hours incurred in each financial reach in the preceding year. These overhead allocation percentages are supposed to be updated each year to reflect the prior year actual salary expenses.

As part of the annual audit of the Statement of Charges, it was discovered that DWR has not updated the overhead allocation percentages since 2006. Additionally, the last overhead allocation percentage calculation in 2005 allocated approximately 9% of state-wide overhead costs to Reach 33A, of which CCWA pays 90%. Since the overhead allocation factors have not been updated since 2006, CCWA was being charged a disproportionate share of the overhead costs since 2006. This can be seen in the graph above which shows that the actual current year charges have risen each year since 2006.

CCWA has filed a letter of protest on this issue with DWR requesting that the overhead allocation factors be updated immediately and that the costs be reallocated for every year back to 2006. DWR corrected the overhead allocation factors and included the adjustments in the calendar year 2012 Statement of Charges which resulted in a reduction of the 2012 Transportation Minimum OMP&R charges of about \$5.1 million.

Bay Delta Conservation Plan Supplemental Funding Agreement

CCWA, along with many other State and Federal water contractors, participated in a funding agreement for a total of \$140 million for initial planning and design work for an alternative conveyance facility and habitat plan in the Sacramento San Joaquin delta referred to as the “Bay Delta Conservation Plan” (BDCP). CCWA’s share of the initial \$140 million was \$744,261.

Subsequent to expenditure of the initial \$140 million, DWR determined it needed an additional \$100 million to complete the initial work, of which CCWA’s share is \$647,133.

The following table shows the allocation of the FY 2013/14 BDCP costs. The City of Santa Maria agreed to pay the BDCP costs for the City of Santa Barbara, Carpinteria Valley Water District, Montecito Water District and the Goleta Valley Water District.

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FY 2013/14 BDCP Cost Allocation

Project Participant	Table A & Drought Buffer	Percentage	BDCP Costs	TOTAL
Guadalupe	605	1.33%	\$ 2,268	\$ 2,268
Santa Maria	34,070	74.90%	127,702	127,702
Golden State Water Co.	550	1.21%	2,062	2,062
VAFB	6,050	13.30%	22,677	22,677
Buellton	636	1.40%	2,384	2,384
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.30%	5,622	5,622
Santa Ynez ⁽¹⁾	700	1.54%	2,624	2,624
Goleta	-	0.00%	-	-
Morehart	220	0.48%	825	825
La Cumbre	1,100	2.42%	4,123	4,123
Raytheon	55	0.12%	206	206
Santa Barbara	-	0.00%	-	-
Montecito	-	0.00%	-	-
Carpinteria	-	0.00%	-	-
	45,486	100.00%	\$ 170,492	\$ 170,492

In total, CCWA has paid \$1,391,394 for the BDCP/DHCCP costs, as shown in the following table by calendar year.

Calendar Year	BDCP Costs paid by CCWA
2008	\$ 38,233
2009	306,980
2010	379,630
2011	57,651
2012	267,916
2013	340,984
Total:	\$ 1,391,394

The following table shows the allocation of the FY 2013/14 Transportation Minimum OMP&R charges to each of the CCWA project participants.

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TRANSPORTATION MINIMUM OMP&R

Project Participant	Table A	Percentage	Calculated Component FY 2013/14	Prior Year(s) Undercollections	DHCCP Costs ⁽²⁾	FY 2013/14 Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 90,815	\$ 7,246	\$ 2,268	\$ 100,329
Santa Maria	16,200	41.46%	2,674,924	213,440	127,702	3,016,067
Golden State Water Co.	500	1.28%	82,559	6,588	2,062	91,209
VAFB	5,500	14.07%	908,153	72,464	22,677	1,003,294
Buellton	578	1.48%	95,439	7,615	2,384	105,438
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	240,335	19,177	5,622	265,134
Santa Ynez ⁽¹⁾	500	1.28%	89,903	7,174	2,624	99,700
Goleta	4,500	11.52%	743,035	59,289	-	802,324
Morehart	200	0.51%	33,024	2,635	825	36,483
La Cumbre	1,000	2.56%	165,119	13,175	4,123	182,417
Raytheon	50	0.13%	8,256	659	206	9,121
Santa Barbara	3,000	7.68%	495,356	39,526	-	534,882
Montecito	3,000	7.68%	495,356	39,526	-	534,882
Carpinteria	2,000	5.12%	330,238	26,351	-	356,588
Subtotal:	39,078	100.00%	\$ 6,452,512	\$ 514,865	\$ 170,492	\$ 7,137,869
Goleta Additional Table A	2,500	-	93,877	7,491	-	\$ 101,368
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 6,546,389	\$ 522,356	\$ 170,492	\$ 7,239,237

(1) Adjusted for the transfer of 150 acre feet drought buffer Table A from Solvang to Santa Ynez.

(2) DHCCP and Monterey litigation costs allocated in proportion to Table A amounts and drought buffer amounts.

The City of Santa Maria has agreed to pay the DHCCP costs for Goleta, Santa Barbara, Montecito and Carpinteria. Please see the corresponding table showing the allocation of these costs.

Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2013/14, the WSRB is about \$243,000 higher than the prior year amount.

The following table shows the allocation of the WSRB for each CCWA project participant.

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WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2013/14 WSRB Charges
Guadalupe	550	1.41%	\$ 38,305	\$ (14,681)	\$ 23,624
Santa Maria	16,200	41.46%	1,128,256	(432,412)	695,844
Golden State Water Co.	500	1.28%	34,823	(13,346)	21,477
VAFB	5,500	14.07%	383,050	(146,807)	236,243
Buellton	578	1.48%	40,255	(15,428)	24,827
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	101,632	(38,951)	62,680
Santa Ynez ⁽¹⁾	500	1.28%	37,659	(14,433)	23,226
Goleta	4,500	11.52%	313,404	(120,115)	193,290
Morehart	200	0.51%	13,929	(5,338)	8,591
La Cumbre	1,000	2.56%	69,645	(26,692)	42,953
Raytheon	50	0.13%	3,482	(1,335)	2,148
Santa Barbara	3,000	7.68%	208,936	(80,076)	128,860
Montecito	3,000	7.68%	208,936	(80,076)	128,860
Carpinteria	2,000	5.12%	139,291	(53,384)	85,907
Subtotal	<u>39,078</u>	<u>100.00%</u>	<u>\$ 2,721,604</u>	<u>\$ (1,043,075)</u>	<u>\$ 1,678,530</u>
Goleta Additional Table A	2,500	-	\$ 37,941	(14,537)	\$ 23,404
CCWA Drought Buffer	3,908	-	-	-	-
TOTAL:	<u>45,486</u>		<u>\$ 2,759,546</u>	<u>\$ (1,057,612)</u>	<u>\$ 1,701,934</u>

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
 (2) WSRB return of bond cover for July 2012 and January 2013 payments.

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Delta Water Charge

The Delta Water Charge is a unit charge applied to each acre-foot of State water Table A amount net of Table A reductions (*see “Table A Reductions” in the section discussing “Other DWR Charges and Credits”*). The unit charge covers repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities with appropriate interest, by the end of the State water contract repayment period in 2035.

No Table A reductions are assumed for FY 2013/14.

The FY 2013/14 Delta Water Charge totals \$2,169,816, which is \$127,944 higher than the prior year amount for the following reasons.

Delta Water Charge			
	FY 2012/13	FY 2013/14	Change
Rate per acre-foot	\$ 46.27	\$ 48.83	\$ 2.56
Delta Water Charge	2,104,792	2,221,043	116,251
Rate Management Credits	(120,107)	(138,486)	(18,379)
Replacement Deposits	57,187	87,259	30,072
Total:	\$ 2,041,872	\$ 2,169,816	\$ 127,944

As the table above shows, the FY 2013/14 rate per acre-foot totals \$48.83, which is \$2.56/AF higher than the prior year amount.

The FY 2013/14 rate includes an estimated \$5.00/AF increase for calendar year 2014 for potential other conservation and delta related facilities (\$2.50/AF on a fiscal year basis).

Beginning with the calendar year 2011 Statement of Charges, DWR began billing for deposits associated with replacing certain equipment at DWR conservation facilities. Under the Contract, this is called the “Replacement Accounting System” deposits (RAS). DWR and the State Water Project Contractors agreed to include a charge on the Delta Water Charge cost per acre-foot beginning with the 2011 SOC to fund these conservation facility replacements.

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The following table shows the allocation of the FY 2013/14 Delta Water Charge to each of the CCWA project participants.

DELTA WATER CHARGE

Project Participant	Table A Including		Gross Delta Water Charges	Replacement Accounting System Deposits	Rate Management Funds Credit	FY 2013/14 Delta Water Charges
	Drought Buffer	Percentage				
Guadalupe	605	1.41%	\$ 29,542	\$ 1,161	(1,842)	\$ 28,861
Santa Maria	17,820	41.46%	870,135	34,185	(54,244)	850,077
Golden State Water Co.	550	1.28%	26,856	1,055	(1,674)	26,237
VAFB	6,050	14.07%	295,416	11,606	(18,416)	288,606
Buellton	636	1.48%	31,055	1,220	(1,936)	30,339
Santa Ynez (Solvang)	1,500	3.49%	73,244	2,878	(4,108)	72,013
Santa Ynez	700	1.63%	34,180	1,343	(2,589)	32,934
Goleta	4,950	11.52%	241,704	9,496	(15,068)	236,132
Morehart	220	0.51%	10,742	422	(670)	10,495
La Cumbre	1,100	2.56%	53,712	2,110	(3,348)	52,474
Raytheon	55	0.13%	2,686	106	(167)	2,624
Santa Barbara	3,300	7.68%	161,136	6,331	(10,045)	157,422
Montecito	3,300	7.68%	161,136	6,331	(10,045)	157,422
Carpinteria	2,200	5.12%	107,424	4,220	(6,697)	104,948
Subtotal	42,986	100.00%	\$ 2,098,970	\$ 82,463	\$ (130,849)	\$ 2,050,584
Goleta Additional Table A	2,500	5.50%	\$ 122,073	\$ 4,796	(7,637)	\$ 119,232
TOTAL:	45,486		\$ 2,221,043	\$ 87,259	\$ (138,486)	\$ 2,169,816

2013 COST PER AF:	\$ 46.3291
Increase for 2014 SOC per AF /2	\$ 2.5000
Estimated rate for FY 2013/14	\$ 48.8291

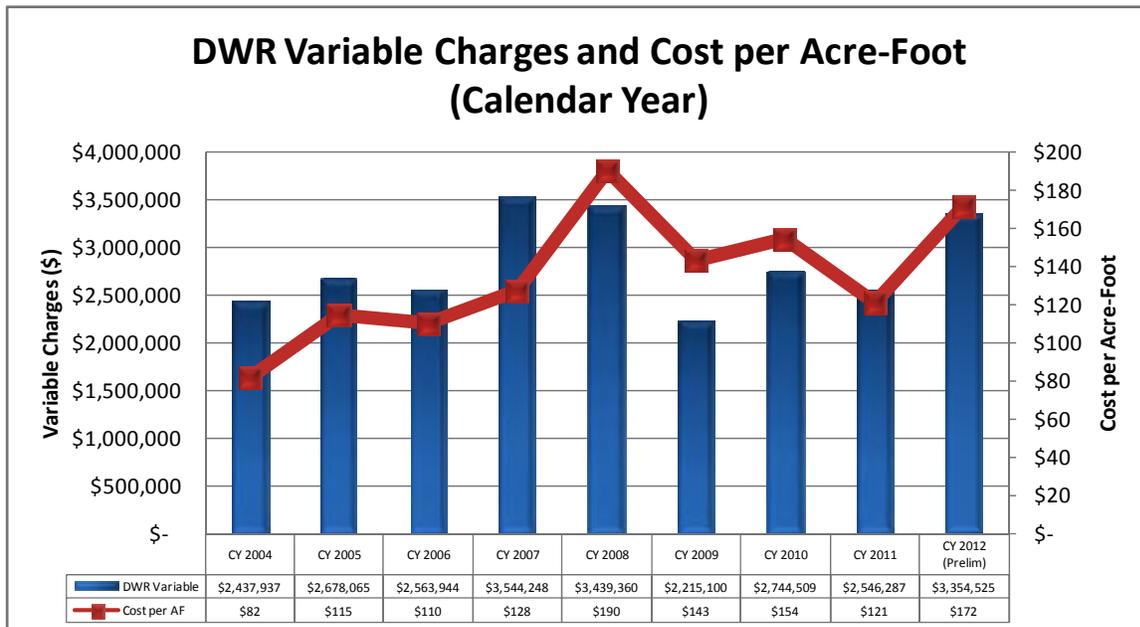
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DWR VARIABLE COSTS

The DWR variable charges are comprised of the following two cost components:

- Off-Aqueduct Charge
- Variable OMP&R

The following graph shows the nine-year history of the actual and estimated DWR variable costs and cost per acre-foot for each calendar year.



The DWR variable charges for FY 2013/14 total \$3,277,796, which is \$1,253,698 lower than the budgeted FY 2012/13 variable payments.

Off-Aqueduct Charges

Off-aqueduct charges are the bond debt service, bond cover, reserve, and operations and maintenance expenses allocated to power facilities not located on the State water aqueduct.

For FY 2013/14, the off-aqueduct charges total \$45,501, which is \$1,260,799 lower than the prior year budget. This decrease is due to the closeout of the contract with Nevada Energy for the Reid Gardner power plant which will occur by July 2013. Total estimated charges are \$227,655, with further reductions for credits for certain project participants for over-payments from FY 2012/13.

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The following table shows the allocation of off-aqueduct charges for FY 2013/14.

OFF-AQUEDUCT CHARGES										
Project Participant	July 2013 to December 2013				January 2014 to June 2014				FY 2012/13	TOTAL
	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2013 Off-Aqueduct ^(1 & 2)	Half-Year 2013 Charges	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2014 Off-Aqueduct ⁽³⁾	Half-Year 2014 Charges	(Credits) Charges ⁽⁴⁾	FY 2013/14 Off-Aqueduct
Guadalupe	252	1.69%	\$ 3,795	\$ 1,897	219	1.57%	\$ 3,635	\$ 1,818	\$ (10,986)	\$ -
Santa Maria	7,100	47.70%	106,911	53,455	7,670	55.07%	127,314	63,657	(166,751)	-
Golden State Water Co.	262	1.76%	3,945	1,973	253	1.82%	4,200	2,100	(20,645)	-
VAFB	2,985	20.05%	44,948	22,474	2,895	20.79%	48,054	24,027	(117,278)	-
Buellton	333	2.24%	5,014	2,507	310	2.23%	5,146	2,573	(13,326)	-
Santa Ynez (Solvang) ⁽⁵⁾	646	4.34%	9,727	4,864	690	4.95%	11,453	5,727	(33,865)	-
Santa Ynez ⁽⁶⁾	390	2.62%	5,873	2,936	210	1.51%	3,486	1,743	11,731	16,410
Goleta	519	3.49%	7,815	3,908	399	2.86%	6,623	3,311	21,871	29,090
Morehart	89	0.60%	1,340	670	111	0.80%	1,842	921	(14,020)	-
La Cumbre	300	2.02%	4,517	2,259	444	3.19%	7,370	3,685	(52,085)	-
Raytheon	38	0.26%	572	286	17	0.12%	282	141	(558)	-
Santa Barbara	-	0.00%	-	-	265	1.90%	4,399	2,199	(4,490)	-
Montecito	1,740	11.69%	26,201	13,100	265	1.90%	4,399	2,199	(38,691)	-
Carpinteria	231	1.55%	3,478	1,739	179	1.29%	2,971	1,486	(7,886)	-
	14,885	100.00%	\$ 224,136	\$ 112,068	13,927	100.00%	\$ 231,173	\$ 115,587	\$ (446,978)	\$ 45,501

(1) Off-aqueduct charges are billed to the project participants based on requested deliveries. South coast deliveries include exchange deliveries with Santa Ynez ID#1.

(2) Source: DWR invoice dated July 1, 2012 for Calendar Year 2013 Statement of Charges.

(3) Source: Attachment #3, July 1, 2012 DWR Invoice for calendar year 2013.

(4) Credits for reconciliation of 2012 off-aqueduct charges, return of bond cover and SMIF interest.

(5) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.

(6) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

Variable OMP&R Charges

Variable OMP&R costs basically represent power costs to pump the water and represent costs that are based on and vary with the amount of State water deliveries.

For FY 2013/14, the variable OMP&R charges total \$3,232,295 which is \$7,101 more than the prior year amount. The budget is based on estimated water deliveries of 28,813 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2013/14 is estimated to be \$120/AF and \$125.00/AF for the second half of the fiscal year.

The following table shows the allocation of the FY 2013/14 variable OMP&R costs.

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VARIABLE OMP&R CHARGES

Project Participant	July 1, 2013 to Dec 31, 2013 ⁽¹⁾			\$120/AF ⁽²⁾	Jan 1, 2014 to June 30, 2014 ⁽³⁾			\$125/AF ⁽⁴⁾		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2013 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2014 Var OMP&R	FY 2012/13 Credits ⁽⁵⁾	FY 2013/14 Var. OMP&R
Guadalupe	252	-	252	\$ 30,240	219	-	219	\$ 27,375	\$ (4,091)	\$ 53,524
Santa Maria	7,100	-	7,100	852,000	7,670	-	7,670	958,750	(128,794)	1,681,956
Golden State Water Co.	262	-	262	31,440	253	-	253	31,625	(1,881)	61,184
VAFB	2,985	-	2,985	358,200	2,895	-	2,895	361,875	(168,561)	551,514
Buellton	333	-	333	39,960	310	-	310	38,750	(2,371)	76,339
Santa Ynez (Solvang)	646	-	646	77,520	690	-	690	86,250	737	164,507
Santa Ynez ⁽⁶⁾	390	1,440	1,830	46,800	210	1,109	1,319	26,250	9,809	82,859
Goleta	519	(519)	(0)	62,280	399	(399)	(0)	49,875	22,799	134,954
Morehart	89	-	89	10,680	111	-	111	13,875	(15,960)	8,595
La Cumbre	300	-	300	36,000	444	-	444	55,500	(10,460)	81,040
Raytheon	38	-	38	4,560	17	-	17	2,125	(1,041)	5,644
Santa Barbara	-	1	1	-	265	(265)	(0)	33,125	(15,989)	17,136
Montecito	1,740	(689)	1,051	208,800	265	(265)	(0)	33,125	11,078	253,003
Carpinteria	231	(231)	(0)	27,720	179	(179)	(0)	22,375	9,945	60,040
Total	14,885	1	14,886	\$ 1,786,200	13,927	-	13,927	\$ 1,740,875	\$ (294,780)	\$ 3,232,295

(1) 2013 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.

(2) Source: July 1, 2012 Statement of Charges for calendar year 2013.

(3) 2013 Requested Deliveries based on a 100% delivery allocation.

(4) Source: Estimate of invoice rate for 2014.

(5) Credits for FY 2012/13 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.

(6) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.

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Other DWR Charges and Credits

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar years 2013 or 2014.

Turnback Pool Sales This represents elections by project participants to “turnback” a portion of their State water in a given year. The initial amount of the turnback water, designated as Pool A, must be submitted for sale by February 15 of each year. The water is then sold by DWR to other State water contractors by March 1. The sellers receive half the Delta Water Rate for each acre-foot of water sold in Pool A. Any water that is not sold in Pool A is placed in Pool B for possible sale, unless the sellers indicate otherwise.

The second “pool” of water to be sold, designated as Pool B, must be submitted for sale by March 15 of each year, and is sold by DWR by April 1. The sellers receive one-fourth of the Delta Water Rate for each acre-foot sold in Pool B. Any water that is not sold in Pool B to other State water contractors or purchased by DWR is sold by DWR to the highest bidder.

CCWA Turnback Pool

In January 1998, the Authority implemented an internal turnback pool program similar to the DWR program. The Authority’s pool is utilized during those years when (1) less than 100% of State water allocation is available and (2) filling the Authority’s project participant delivery requests is only possible by acquiring unused Table A amounts from other project participants.

Any water that is not sold in the Authority’s turnback pool is sold in the DWR turnback pool. The price for water sold in the Authority's turnback pool is the same as that sold in the DWR pool.

Central Coast Water Authority
DWR Charges
Fiscal Year 2013/14 Budget

Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable		
Guadalupe	\$ 270,443	\$ -	\$ -	\$ 100,329	\$ 23,624	\$ 28,861	\$ 423,258	\$ -	\$ 53,524	\$ 53,524	\$ (832)	\$ 475,950
Santa Maria	7,965,781	660,913	-	3,016,067	695,844	850,077	13,188,682	-	1,681,956	1,681,956	(22,655)	14,847,982
Golden State Water Co.	245,857	20,399	-	91,209	21,477	26,237	405,178	-	61,184	61,184	(858)	465,504
Vandenberg AFB	2,704,432	224,384	367,939	1,003,294	236,243	288,606	4,824,899	-	551,514	551,514	-	5,376,413
Buellton	284,211	23,581	38,667	105,438	24,827	30,339	507,063	-	76,339	76,339	(973)	582,429
Santa Ynez (Solvang)	730,939	61,196	100,347	265,134	62,680	72,013	1,292,310	-	164,507	164,507	(2,341)	1,454,476
Santa Ynez	252,491	20,399	33,449	99,700	23,226	32,934	462,199	16,410	82,859	99,269	(895)	560,573
Goleta	2,212,717	183,587	301,041	802,324	193,290	236,132	3,929,091	29,090	134,954	164,044	(7,165)	4,085,971
Morehart Land	98,343	8,159	13,380	36,483	8,591	10,495	175,451	-	8,595	8,595	(1,236)	182,809
La Cumbre	491,715	40,797	66,898	182,417	42,953	52,474	877,254	-	81,040	81,040	(2,493)	955,802
Raytheon	24,586	2,040	3,345	9,121	2,148	2,624	43,863	-	5,644	5,644	(96)	49,411
Santa Barbara	1,475,145	122,391	200,694	534,882	128,860	157,422	2,619,394	-	17,136	17,136	(4,251)	2,632,279
Montecito	1,475,145	122,391	200,694	534,882	128,860	157,422	2,619,394	-	253,003	253,003	(10,309)	2,862,088
Carpinteria	983,430	81,594	133,796	356,588	85,907	104,948	1,746,263	-	60,040	60,040	(2,853)	1,803,450
Goleta 2500 AF	22,967	-	-	101,368	23,404	119,232	266,971	-	-	-	-	266,971
Total	\$ 19,238,201	\$ 1,571,831	\$ 1,460,251	\$ 7,239,237	\$ 1,701,934	\$ 2,169,816	\$ 33,381,269	\$ 45,501	\$ 3,232,295	\$ 3,277,796	\$ (56,957)	\$ 36,602,108



Staff training

Operating Expenses

The Operating Expenses section of the FY 2013/14 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2013/14 Budget

The Operating Expense section of the Authority's budget includes all expenses for the day-to-day operations of the Authority. These expenses include personnel, office expenses, supplies and equipment, monitoring expenses, repairs and maintenance, professional services, general and administrative and other expenses. The operating expense budget does not include capitalized purchases, debt or reserve payments.

The Central Coast Water Authority's Operating Expense budget is separated into three (3) departments: Administration, Water Treatment Plant, and Distribution.

Administration The **Administration Department** includes all expenses associated with the administration of the Authority including salaries and benefits for administration employees, auditing and legal fees, insurance, office expenses, and all other operating expenses for the administration department.

Operations and Maintenance The operations and maintenance section of the budget is comprised of the **Water Treatment Plant Department** and the **Distribution Department**.

The Operations and Maintenance staff comprise the bulk (26) of the 30 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards.

Operating Expense Budget and Exchange Agreement Modifications

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2013/14. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

When the anticipated expenses for the fiscal year have been determined, certain adjustments are made to the budget based on the "Santa Ynez Exchange Agreement" (*see the "Water Treatment Plant" section of this document for further information about the Santa Ynez Exchange Agreement*). These adjustments reduce the variable costs (chemicals and electrical) in the budget based on the provisions of the Exchange Agreement. The project participants are billed for the Authority's operating expenses budget based on the adjusted expenses which include the Exchange Agreement modifications. These adjustments are not reflected in the Operating Expense departmental budgets that follow.

Central Coast Water Authority Operating Expense Overview Fiscal Year 2013/14 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2013/14 budget are as follows:

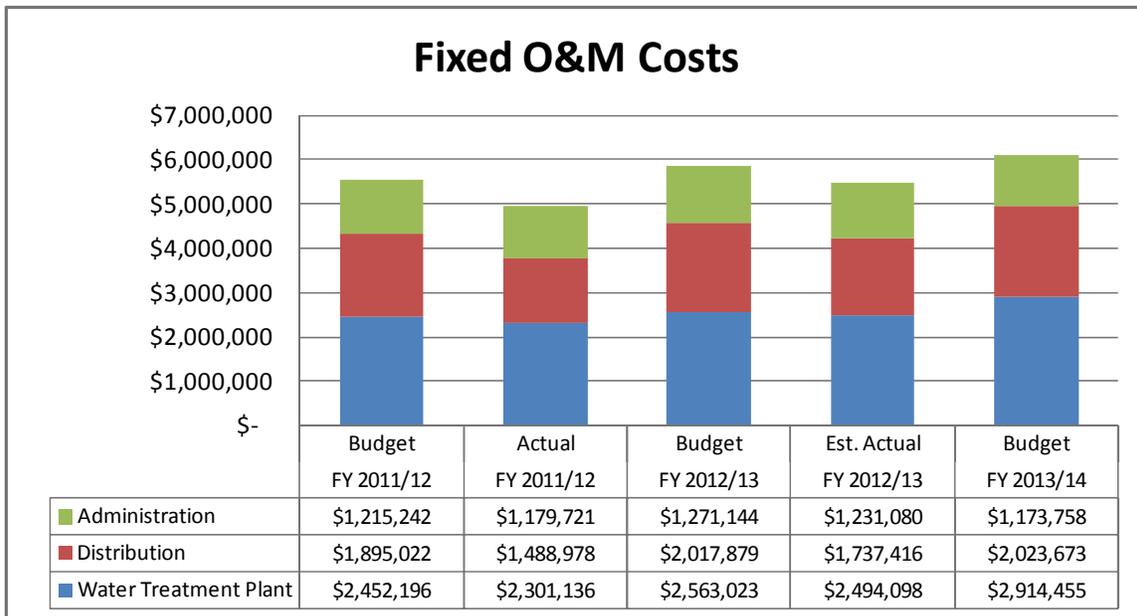
- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$235,630.
- Decrease in Warren Act and Trust Fund charges of \$147,842 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

The Authority's Operating Expense budget is separated by department and further subdivided into Fixed and Variable O&M costs.

Fixed O&M Costs refer to all costs of the Authority that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and general and administrative costs.

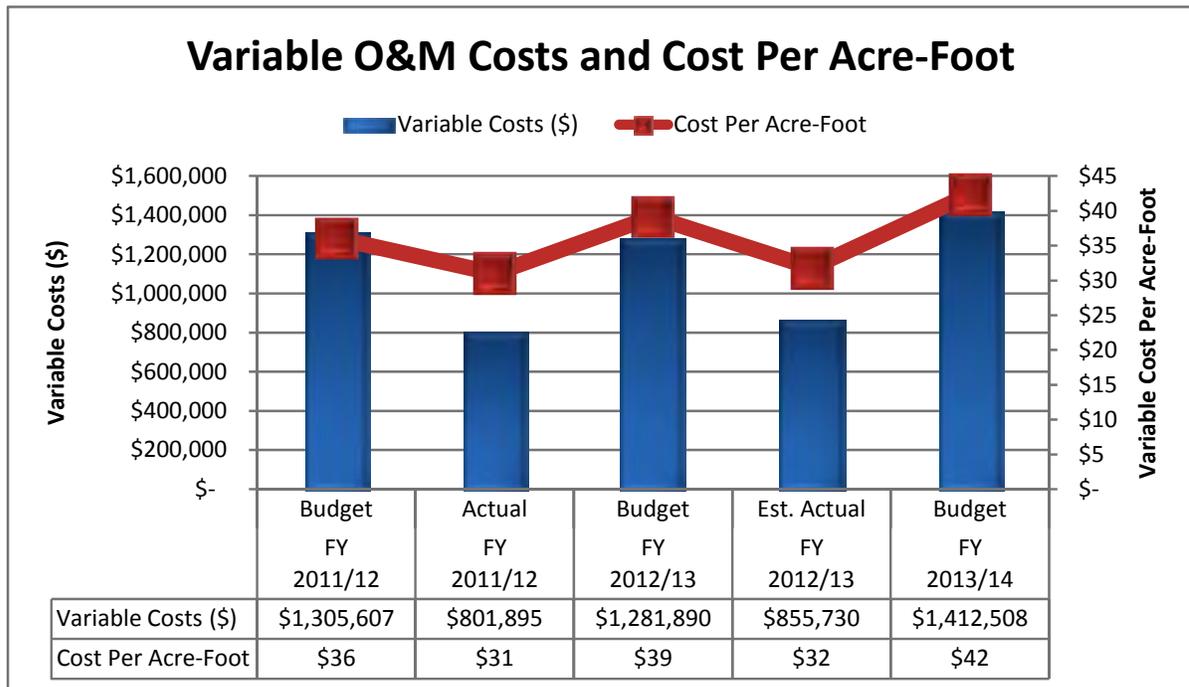
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2013/14 Budget

Variable O&M Costs refer to all costs that vary with the amount of water processed. These costs include all chemical and electrical costs for the Water Treatment Plant and Distribution Departments.

The following chart shows the variable O&M costs compared to the requested and variable cost per acre-foot for the same period.



The Fiscal Year 2013/14 Consolidated Departmental Operating Expense Budget totals \$7,554,995, which is \$421,058 higher than the Fiscal Year 2012/13 Budget, a 5.90% increase. Explanations for the various changes within the budget are discussed below and are also included in the various departmental sections of this Budget document.

Personnel Expenses

Personnel expenses are increasing about \$23,000, which includes the following changes from the prior year:

- The FY 2013/14 Budget includes a \$98,660 salary pool for employee salary increases based on a salary pool percentage of 4.93% (excludes increases for four positions being promoted as part of the Board approved succession plan discussed below). The salary pool percentage is comprised

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2013/14 Budget

- of a 3% merit component and a 1.93% change in the consumer price index which was approved by the CCWA Board of Directors at their meeting on February 28, 2013.
- The FY 2013/14 Budget includes an additional \$68,793 for the promotion of four positions within CCWA as part of the CCWA Board-approved succession plan which was approved by the CCWA Board of Directors at their meeting on February 28, 2013.
 - The FY 2013/14 total salaries and wages budget is decreasing by about \$72,000 due to the retirement of the existing Executive Director, partially offset by the increases listed above.
 - Health insurance expenses and cafeteria plan benefits are increasing by about \$56,000 due to a 16% increase in health insurance premiums for calendar year 2013. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2014.
 - Workers' compensation insurance premiums are increasing by about \$30,200 due to an increase in the experience modification factor from 77% last year to 109% this year.
 - The FY 2013/14 Budget includes \$39,000 for deposit into the California Employers' Retiree Benefit Trust Program (CERBT) which represents the estimated FY 2013/14 annually required contribution for the CCWA retiree medical benefit.

Professional Services

Professional services are increasing by about \$94,000 for the following:

- Proposed consulting contract of \$48,000 for State Water Project issues after the retirement of the existing Executive Director.
- Re-engaging Ernst & Young as auditors for the DWR Statement of Charges. CCWA had withdrawn from this engagement (shared with approximately 25 other State Water Project Contractors) two years ago because of the lack of benefits derived from the Contract. However, Ernst & Young has revised their audit plan, and staff now believes CCWA would benefit from this audit of the annual DWR Statement of Charges. The estimate for FY 2013/14 is \$13,000.
- Increase in legal fees of about \$32,000 for an anticipated increase in needed legal services during the year.

Utilities

Utility expenses are increasing by about \$110,000 primarily due to an increase in requested water deliveries into Lake Cachuma of 1,051 AF compared to the prior fiscal year.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2013/14 Budget

Other Expenses

Other expenses are increasing by approximately \$160,000 primarily due to an increase in non-capitalized projects. These are projects which are outside of the normal core operating expenses for CCWA, but do not meet the criteria for capitalization. Please see the Departmental Section of this Budget document under each department (Administration, Water Treatment Plant and Distribution) for a complete listing of the non-capitalized projects for FY 2013/14.

Approximately 55% of the operating expense budget represents personnel expenses. This is followed by 18% for supplies and equipment and the balance comprised of other expenses.

The chart on page 85 provides a detailed breakdown of the components of the FY 2013/14 budget.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2013/14 Budget

CCWA Employee Benefits Percentage

In December 2003, the CCWA Board of Directors established the following Budget policy with regard to employer paid employee benefits:

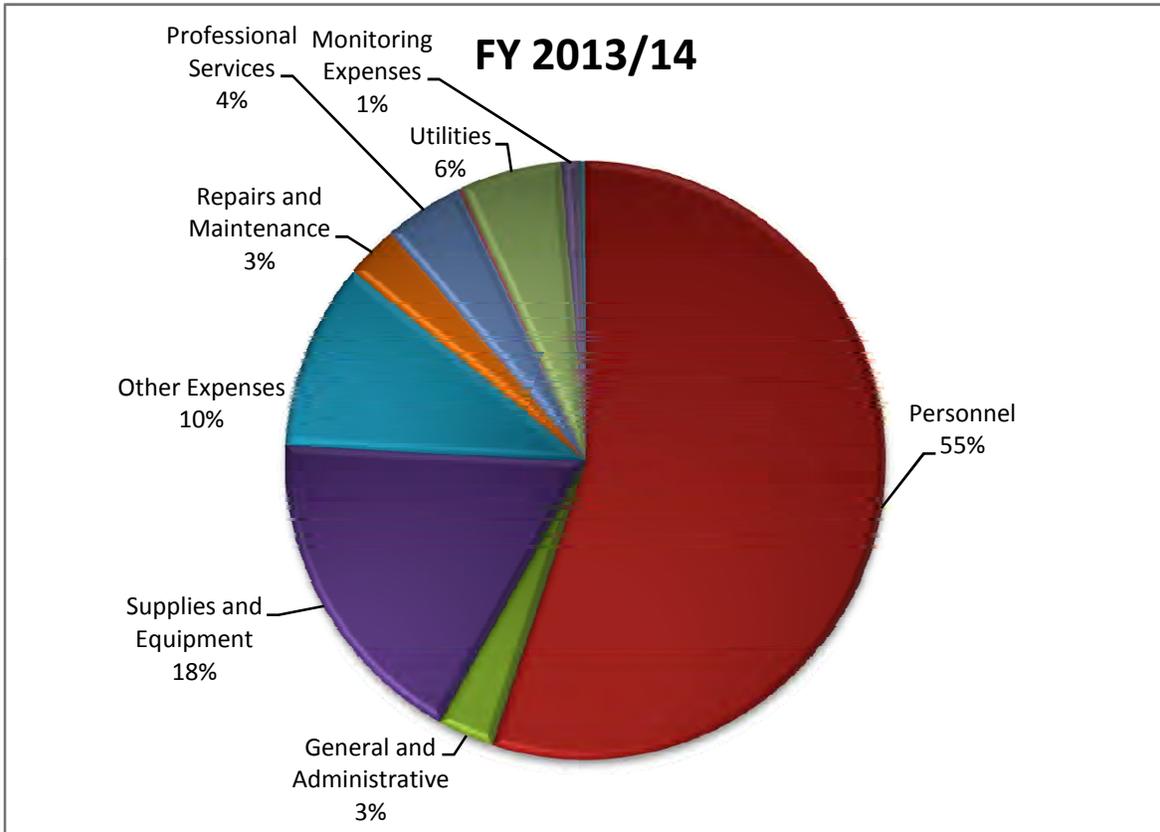
Employee Benefits Funding Benchmark: The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability and life insurance as a proportion of the full-time wages budget for the fiscal year. If the EBP exceeds 38%, staff will provide alternatives for Board consideration so that the revised EBP remains at or below 38%.

The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2011/12 through 2013/14.

	FY 2011/12 Actual	FY 2012/13 Est. Actual	FY 2013/14 Budget
Total Regular Salaries	\$ 2,524,290	\$ 2,585,259	\$ 2,649,895
<u>Benefits</u>			
PERS Retirement	492,291	526,956	538,468
Health Insurance	368,921	356,347	432,909
Cafeteria Plan Benefits	29,682	27,615	57,212
Dental/Vision Plan	47,343	70,868	51,203
Long-Term Disability	10,060	9,962	10,707
Life Insurance	11,330	10,775	10,964
Total Benefits:	<u>\$ 959,627</u>	<u>\$ 1,002,523</u>	<u>\$ 1,101,463</u>
Employee Benefits Percentage	38.02%	38.78%	41.57%

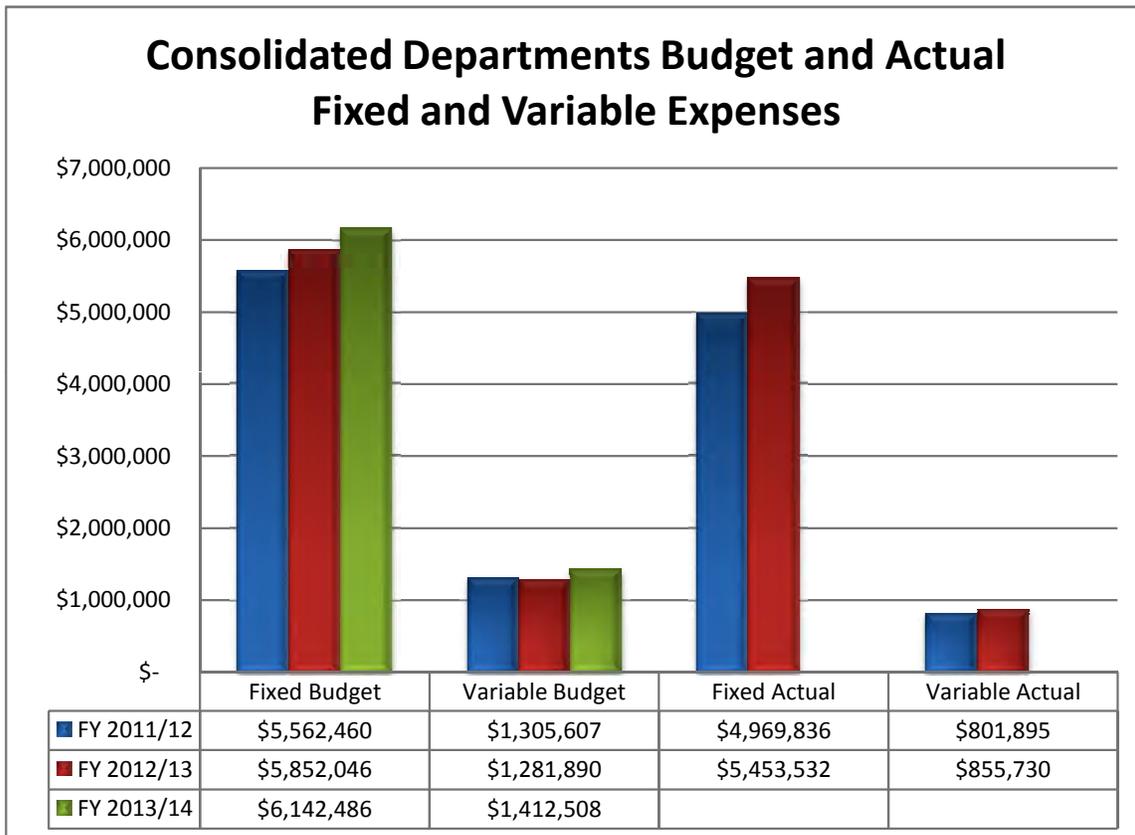
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2013/14 Budget

Item	FY 2013/14 Budget
Personnel	\$ 4,154,292
Office Expenses	18,850
Supplies and Equipment	1,343,317
Monitoring Expenses	75,305
Repairs and Maintenance	216,460
Professional Services	322,369
General and Administrative	232,816
Utilities	410,750
Other Expenses	759,417
Turnouts	21,419
TOTAL:	\$ 7,554,995



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2013/14 Budget

Item	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget
Personnel	\$ 3,865,467	\$ 3,551,648	\$ 4,131,035	\$ 3,967,401	\$ 4,154,292
Office Expenses	21,920	19,935	19,520	15,937	18,850
Supplies and Equipment	1,218,563	853,991	1,299,185	916,857	1,343,317
Monitoring Expenses	60,648	58,651	71,760	70,562	75,305
Repairs and Maintenance	210,025	201,597	214,025	170,297	216,460
Professional Services	240,534	171,473	228,509	189,141	322,369
General and Administrative	216,715	228,531	231,901	235,192	232,816
Utilities	424,217	237,421	300,279	228,559	410,750
Other Expenses	583,004	398,247	598,516	488,226	759,417
Turnouts	26,974	50,236	39,207	27,089	21,419
Total:	\$ 6,868,067	\$ 5,771,731	\$ 7,133,936	\$ 6,309,262	\$ 7,554,995



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 2,514,274	\$ 2,352,181	\$ 2,721,289	\$ 2,585,259	\$ 2,649,895	\$ (71,394)	-2.62%
1300.60	Capitalized Wages and Overtime	-	(6,801)	-	-	-	-	N/A
5000.20	Overtime	115,418	88,225	121,316	131,214	126,775	5,458	4.50%
5000.40	Standby Pay	50,195	47,802	52,210	50,331	52,945	736	1.41%
5000.50	Shift Differential Pay	13,500	14,178	14,000	14,317	16,486	2,486	17.75%
5100.10	PERS Retirement	495,953	471,124	542,011	526,956	538,468	(3,544)	-0.65%
5100.15	Medicare Taxes	39,475	36,512	42,627	40,428	42,098	(529)	-1.24%
5100.20	Health Insurance	404,586	357,137	403,819	356,347	432,909	29,090	7.20%
5100.25	Workers' Compensation	84,839	58,929	71,720	90,255	101,921	30,201	42.11%
5100.30	Vehicle Expenses	18,000	17,377	18,000	18,000	9,000	(9,000)	-50.00%
5100.35	Retiree Medical Future Liability Dep.	29,000	1,336	31,000	31,000	39,000	8,000	25.81%
5100.40	Cafeteria Plan Benefits	12,384	23,509	30,491	27,615	57,212	26,721	87.63%
5100.45	Dental/Vision Plan	58,875	51,585	48,528	70,868	51,203	2,675	5.51%
5100.50	Long-Term Disability	9,980	10,185	10,772	9,962	10,707	(66)	-0.61%
5100.55	Life Insurance	9,437	10,836	11,700	10,775	10,964	(736)	-6.29%
5100.60	Employee Physicals	900	141	900	480	900	-	0.00%
5000.30	Temporary Services	-	-	2,000	-	5,000	3,000	150.00%
5100.80	Employee Incentive Programs	6,400	3,526	6,400	3,594	6,560	160	2.50%
5100.65	Employee Education Reimbursement	2,250	349	2,250	-	2,250	-	0.00%
1300.60	Capitalized Employee Benefits	-	13,517	-	-	-	-	N/A
Total Personnel Expenses:		3,865,467	3,551,648	4,131,035	3,967,401	4,154,292	23,257	0.56%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	13,300	9,361	10,900	7,567	9,700	(1,200)	-11.01%
5200.30	Misc. Office Expenses	8,620	10,574	8,620	8,370	9,150	530	6.15%
Total Office Expenses:		21,920	19,935	19,520	15,937	18,850	(670)	-3.43%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	14,065	14,851	14,502	12,785	14,502	-	0.00%
5500.15	Minor Tools and Equipment	10,000	8,095	13,800	12,003	13,900	100	0.72%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	180	1,500	157	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,066,167	727,612	1,142,053	783,373	1,186,085	44,032	3.86%
5500.35	Maintenance Supplies/Hardware	20,000	17,916	20,000	15,139	20,000	-	0.00%
5500.40	Safety Supplies	10,000	7,805	10,000	11,232	10,000	-	0.00%
5500.45	Fuel and Lubricants	85,330	76,598	85,830	81,643	85,830	-	0.00%
5500.50	Seed/Erosion Control Supplies	11,000	750	11,000	462	11,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	184	500	62	500	-	0.00%
Total Supplies and Equipment:		1,218,563	853,991	1,299,185	916,857	1,343,317	44,132	3.40%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	45,028	47,650	53,455	60,150	57,000	3,545	6.63%
5600.20	Lab Tools and Equipment	1,000	47	-	-	-	-	N/A
5600.30	Lab Testing	14,620	10,954	18,305	10,412	18,305	-	0.00%
Total Monitoring Expenses:		60,648	58,651	71,760	70,562	75,305	3,545	4.94%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	130,000	126,979	135,000	107,064	135,500	500	0.37%
5700.20	Vehicle Repairs and Maintenance	15,000	14,887	15,000	9,664	15,000	-	0.00%
5700.30	Building Maintenance	52,965	49,819	51,965	44,756	53,900	1,935	3.72%
5700.40	Landscape Maintenance	12,060	9,912	12,060	8,814	12,060	-	0.00%
Total Repairs and Maintenance:		210,025	201,597	214,025	170,297	216,460	2,435	1.14%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	95,450	47,188	95,925	75,868	144,925	49,000	51.08%
5400.20	Legal Services	90,000	83,527	75,000	57,932	107,500	32,500	43.33%
5400.30	Engineering Services	7,500	5,974	10,000	11,427	10,000	-	0.00%
5400.40	Permits	21,700	12,706	21,700	21,401	20,900	(800)	-3.69%
5400.50	Non-Contractual Services	3,884	2,077	3,884	2,513	4,044	160	4.12%
5400.60	Accounting Services	22,000	20,000	22,000	20,000	35,000	13,000	59.09%
Total Professional Services:		240,534	171,473	228,509	189,141	322,369	93,860	41.07%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	48,500	77,243	55,500	71,003	54,100	(1,400)	-2.52%
5300.20	Mileage Reimbursement	1,650	1,235	1,650	1,268	1,650	-	0.00%
5300.30	Dues and Memberships	133,335	115,904	140,841	140,229	144,556	3,715	2.64%
5300.40	Publications	3,530	3,733	2,750	1,520	2,500	(250)	-9.09%
5300.50	Training	15,000	18,780	15,000	10,630	15,500	500	3.33%
5300.60	Advertising	3,850	2,549	4,350	-	3,500	(850)	-19.54%
5300.70	Printing and Binding	4,000	3,437	4,000	3,062	3,500	(500)	-12.50%
5300.80	Postage	6,850	5,651	7,810	7,479	7,510	(300)	-3.84%
Total General and Administrative:		216,715	228,531	231,901	235,192	232,816	915	0.39%
<u>UTILITIES</u>								
5800.20	Natural Gas	7,245	7,561	7,432	2,714	9,490	2,058	27.69%
5800.30	Electric-Fixed	148,018	133,879	123,195	133,083	146,831	23,636	19.19%
5800.35	Electric-Variable	239,439	74,283	139,837	72,357	226,423	86,586	61.92%
5800.40	Water	2,450	2,935	2,750	2,823	2,850	100	3.64%
5800.50	Telephone	17,720	11,997	17,720	10,597	15,810	(1,910)	-10.78%
5800.60	Waste Disposal	9,345	6,766	9,345	6,985	9,345	-	0.00%
Total Utilities:		424,217	237,421	300,279	228,559	410,750	110,471	36.79%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	139,511	136,029	143,000	141,000	148,468	5,469	3.82%
5900.30	Non-Capitalized Projects	122,503	68,422	115,970	115,970	273,567	157,597	135.89%
5900.40	Equipment Rental	31,852	20,685	30,440	27,049	34,020	3,580	11.76%
5900.50	Non-Capitalized Equipment	14,500	9,877	14,500	9,526	14,500	-	0.00%
5900.60	Computer Expenses	166,100	163,234	180,629	194,681	168,841	(11,788)	-6.53%
5900.70	Appropriated Contingency	108,538	-	113,977	-	120,021	6,044	5.30%
Total Other Expenses:		583,004	398,247	598,516	488,226	759,417	160,901	26.88%
Turnout Expenses		26,974	50,236	39,207	27,089	21,419	(17,788)	-45.37%
TOTAL OPERATING EXPENSES		\$ 6,868,067	\$ 5,771,731	\$ 7,133,936	\$ 6,309,262	\$ 7,554,995	\$ 421,058	5.90%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2013/14 Budget

Project Participant	<u>Administration Department</u>			<u>Water Treatment Plant Department Fixed Costs</u>					Turnout Costs	
	Table A	Percentage	Administration Expenses	Table A	Percentage	WTP Fixed	WTP Fixed and Capital Retreatment	Exchange Fixed and Capital Adjustments		Total Fixed WTP Costs
Shandon	-	-	\$ -	100	0.23%	\$ 6,923	-	-	6,923	\$ -
Chorro Valley	-	-	-	2,338	5.32%	161,860	-	-	161,860	2,900
Lopez	-	-	-	2,392	5.45%	165,599	-	-	165,599	2,463
Guadalupe	550	1.41%	17,320	550	1.25%	38,077	22,703	-	60,780	1,976
Santa Maria	16,200	41.46%	510,155	16,200	36.90%	1,121,530	668,712	-	1,790,242	2,483
Golden State Water Co.	500	1.28%	15,746	500	1.14%	34,615	20,639	-	55,254	4,123
VAFB	5,500	14.07%	173,201	5,500	12.53%	380,766	227,032	-	607,798	2,000
Buellton	578	1.48%	18,202	578	1.32%	40,015	23,859	-	63,874	2,274
Santa Ynez (Solvang)	1,500	3.84%	47,237	1,500	3.42%	103,845	61,918	-	165,763	1,700
Santa Ynez	500	1.28%	15,746	500	1.14%	34,615	125,858	366,883	527,356	1,500
Goleta	4,500	11.52%	141,710	4,500	10.25%	311,536	(367,990)	(132,140)	(188,594)	-
Morehart Land	200	0.51%	6,298	200	0.46%	13,846	(20,545)	-	(6,699)	-
La Cumbre	1,000	2.56%	31,491	1,000	2.28%	69,230	(102,723)	-	(33,493)	-
Raytheon (SBRC)	50	0.13%	1,575	50	0.11%	3,462	(5,136)	-	(1,675)	-
Santa Barbara	3,000	7.68%	94,473	3,000	6.83%	207,691	(280,828)	(38,327)	(111,464)	-
Montecito	3,000	7.68%	94,473	3,000	6.83%	207,691	(209,949)	(137,687)	(139,945)	-
Carpinteria	2,000	5.12%	62,982	2,000	4.55%	138,461	(163,551)	(58,729)	(83,819)	-
TOTAL:	39,078	100.00%	\$ 1,230,608	43,908	100.00%	\$ 3,039,762	\$ (0)	(0)	\$ 3,039,762	\$ 21,419

Project Participant	<u>Distribution Department Fixed Costs</u>									Total Fixed Operating & CIP Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Fixed Distribution Costs	
Shandon	1,188	-	-	-	-	-	-	-	1,188	8,111
Chorro Valley	27,785	-	-	-	-	-	-	-	27,785	192,546
Lopez	28,427	13,491	-	-	-	-	-	-	41,918	209,980
Guadalupe	6,536	3,102	1,292	-	-	-	-	-	10,930	91,006
Santa Maria	192,524	91,371	38,054	32,391	-	-	-	-	354,340	2,657,220
Golden State Water Co.	5,942	2,820	1,175	1,000	-	-	-	-	10,936	86,059
VAFB	65,363	31,021	12,920	10,997	22,917	76,945	-	-	220,163	1,003,162
Buellton	6,869	3,260	1,358	1,156	2,408	8,086	13,300	-	36,437	120,787
Santa Ynez (Solvang)	17,826	8,460	3,524	2,999	6,250	20,985	34,516	-	94,560	309,260
Santa Ynez	5,942	2,820	1,175	1,000	2,083	6,995	11,505	-	31,520	576,122
Goleta	53,479	25,381	10,571	8,997	18,750	62,955	103,548	128,956	412,637	365,753
Morehart Land	2,377	1,128	470	400	833	2,798	4,602	5,731	18,339	17,939
La Cumbre	11,884	5,640	2,349	1,999	4,167	13,990	23,011	28,657	91,697	89,696
Raytheon (SBRC)	594	282	117	100	208	700	1,151	1,433	4,585	4,485
Santa Barbara	35,653	16,921	7,047	5,998	12,500	41,970	69,032	85,971	275,091	258,100
Montecito	35,653	16,921	7,047	5,998	12,500	41,970	69,032	85,971	275,091	229,619
Carpinteria	23,768	11,280	4,698	3,999	8,333	27,980	46,021	57,314	183,394	162,557
TOTAL:	521,811	233,899	91,795	77,034	90,950	305,376	375,718	394,032	2,090,613	\$ 6,382,402

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2013/14 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs				Total WTP Variable Costs	Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING & CIP COSTS	Summary of Total Costs	
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments						
Shandon	\$ -	\$ -			\$ -	\$ -	\$ 8,111	Fixed O&M Costs		
Chorro Valley	-	85,799			85,799	85,799	278,345	Administration	\$ 1,204,358	
Lopez	-	79,747			79,747	79,747	289,728	Water Treatment Plant	2,914,455	
Guadalupe	-	17,286	1,230		18,517	18,517	109,523	Distribution	2,023,673	
Santa Maria	-	542,083	38,575		580,658	580,658	3,237,878	Total Fixed O&M Costs	6,142,486	
Golden State Water Co.	-	18,901	1,345		20,246	20,246	106,306	Variable O&M Costs		
VAFB	-	215,805	15,357		231,163	231,163	1,234,324	Water Treatment Plant	1,223,074	
Buellton	-	23,599	1,679		25,278	25,278	146,066	Distribution	189,434	
Santa Ynez (Solvang)	-	49,033	3,489		52,523	52,523	361,783	Total Variable O&M Costs	1,412,508	
Santa Ynez	-	22,021	8,224	93,512	123,757	123,757	699,879	Capital Improvement Projects	239,915	
Goleta	33	33,692	(12)	(33,680)	(0)	33	365,786	Total O&M and CIP Costs:		
Morehart Land	18,480	7,340	(6,819)	0	521	19,001	36,940	\$ 7,794,910		
La Cumbre	68,744	27,306	(25,366)	0	1,940	70,684	160,379			
S.B. Research	5,082	2,019	(1,875)	0	143	5,225	9,710			
Santa Barbara	(15)	9,763	5	(9,769)	(1)	(16)	258,085			
Montecito	97,095	73,660	(35,828)	(35,094)	2,738	99,834	329,453			
Carpinteria	15	14,974	(5)	(14,969)	(0)	15	162,571			
TOTAL:	\$ 189,434	\$ 1,223,030	\$ 0	\$ 0	1,223,030	1,412,464	\$ 7,794,866			



Robert W. Puddicombe Meeting Room

Administration Department

The Administration Department is comprised of the Executive Director, Accounting and Finance, Engineering and support staff. The department is responsible for administration of the Authority and provides support to the Board of Directors, various Authority committees, and operations and maintenance departments of the Authority.

Highlights

Department Information

- | | |
|----------------------------------|-------------------------------|
| • Number of employees | 4.50 |
| • Number of Board members | 8 |
| • Number of Authority Committees | 3 |
| • Board of Directors meetings | Fourth Thursday of each month |
| • Operating Committee meetings | Second Thursday, quarterly |
| • Finance Committee meetings | Fourth Thursday, quarterly |
| • Other Committee meetings | As needed |

Budget Information

- | | |
|---------------------------------------|-------------|
| • Total FY 2013/14 O&M Budget | \$1,204,358 |
| • O&M Budget decrease over FY 2012/13 | \$ 66,786 |
| • Percentage decrease over FY 2012/13 | (5.25)% |

Significant Accomplishments During FY 2012/13

- Proposed and implemented a CCWA Board-approved succession plan due to the retirement of the existing Executive Director. Includes promotion of the Deputy Director to Executive Director, Operations Manager to Deputy Director, Senior Accountant to Controller and one Secretary II position to Office Manager.
- Extensive work with DWR and the State Water Contractors to possibly extend and amend the State Water Contract with DWR.

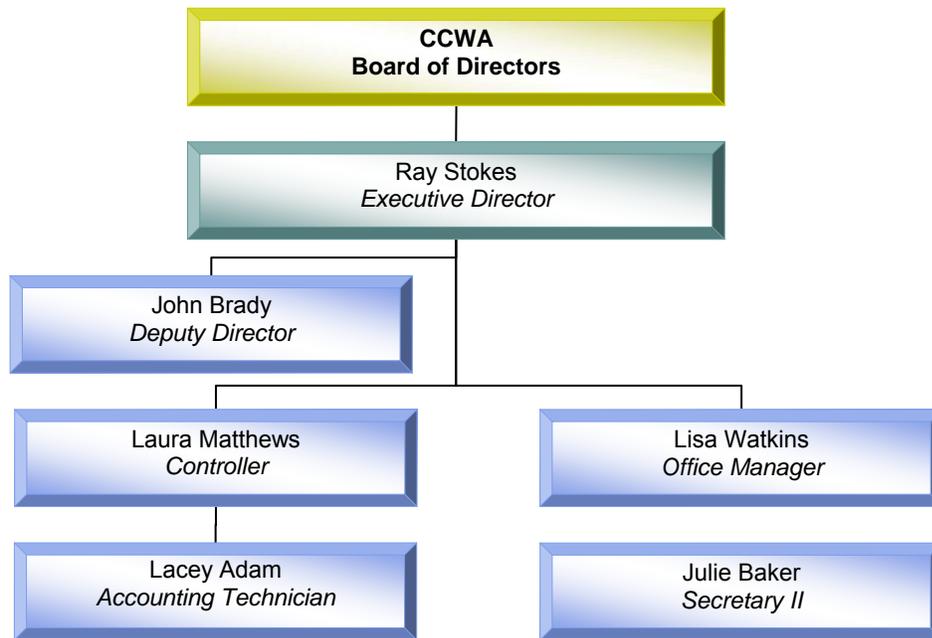
Significant Goals for FY 2013/14

- Audit the entire Statement of Charges from DWR to CCWA for calendar year 2014.
- Implement the human resources employee benefit software package and upgrade to the accounting software program.
- Continue to work with DWR and the State Water Contractors on the State Water Project contract extension and amendment.

Central Coast Water Authority
Administration Department
Fiscal Year 2013/14 Budget

The Administration Department is comprised of the Executive Director, Deputy Director, Controller, Office Manager and support staff. The department is responsible for administration of the Authority and provides support to the (1) Board of Directors and various Authority committees and (2) operations and maintenance departments of the Authority.

The Authority's Administration Department has three main functions: Executive, which provides oversight and management of the Authority; Finance/Treasury, which is the central fiscal control and accounting agency of the Authority and which invests all cash balances of the Authority; and Administrative Services, which coordinates and administers the employee benefits program and the Authority's auto, property and liability insurances.



EXECUTIVE DIRECTOR

The Executive Director is the chief executive officer and administrative head of the Authority, with the responsibility for planning, organizing, staffing, coordinating, budgeting, and directing the administrative activities and operations of the Authority. The Executive Director is appointed by and serves at the pleasure of the Authority Board of Directors. The Executive Director appoints the supervisors of all departments and is responsible for implementation of policies established by the Board of Directors.

The Executive Director is responsible for providing and exercising overall supervision and disciplinary control over the necessary administrative and operating staff to carry out official Board policies. The Executive Director is responsible for the execution of contracts and other documents on behalf of the Authority to the extent provided by the Board of Directors. The Executive Director serves as the Treasurer for the Authority.

Central Coast Water Authority
Administration Department
Fiscal Year 2013/14 Budget

DEPUTY DIRECTOR

The Deputy Director serves as the operations officer for the Authority and is responsible for all operational and engineering related activities, including planning and directing the operations and maintenance of the water treatment plant, laboratory, distribution system and network system. In addition, the Deputy Director is responsible for all engineering work and oversees project management related to CCWA's distribution pipeline, water treatment plant, and ancillary facilities.

The Deputy Director is charged with the responsibility for construction contract administration and management, and provides technical oversight to the operations and maintenance departments, including evaluating, designing, and implementing operational and capital improvements for the Authority. Additional secondary duties include oversight of professional consultants and detailed analysis and design for engineering work performed in-house.

CONTROLLER

The Controller manages the finance department's daily finance/accounting activities including payrolls and audits, preparation of the operating and capital budgets, preparation of the comprehensive annual financial reports, debt management, risk management, and cash management. The Controller provides oversight of the employee benefits program for the Authority.

OFFICE MANAGER

The Authority's Office Manager administers the employee benefits program, which includes health insurance, life insurance, dental and vision insurance, deferred compensation, Section 125 cafeteria plan, and the Public Employees' Retirement System (PERS). The Office Manager maintains vendor risk management related to auto, property and liability insurances. Additionally, the Office Manager serves as Secretary to the Board of Directors.

Central Coast Water Authority
Administration Department
Fiscal Year 2013/14 Budget

2012 ACCOMPLISHMENTS AND 2013 GOALS

The following pages list all of the Authority’s 2012 goals and their status (i.e., “Accomplishments”) and the Authority’s 2013 goals. The 2012 accomplishments and 2013 goals that are the responsibility of the Water Treatment Plant and Distribution Departments are repeated in the Water Treatment Plant and Distribution Department sections of this budget. Also included is a table of performance indicators (“Service Efforts and Accomplishments”) for the Administration Department.

Administration and Accounting

Goal Audit the entire Statement of Charges from DWR to CCWA for calendar years 2013 to determine that the amounts included in the Statement of Charges are correct and appropriate. This will be an on-going process throughout the year.

Status Audit in progress.

Goal In conjunction with DWR, finalize the adjustments to the Coastal Branch Extension debt service allocations due to prior allocation errors in which DWR has allocated approximately \$10 million more in debt service costs to CCWA for the Coastal Branch Extension than the total construction costs financed. [01/12]

Status A plan is being developed with DWR to hire consultants to assist in the reconciliation of all Coastal Branch project costs. This project will most likely take at least a year or more to complete.

Goal Work with the other SWC representatives to extend the State Water Contracts beyond 2035 to be able to finance potentially large capital expenditures over a longer period of time.

Status Ray Stokes is on the SWC Contract Extension Committee and the co-lead on the Contract Extension Technical Workgroup. It is anticipated that the public process regarding contract extension and amendment pursuant to Monterey will begin in early 2013.

Goal Participate and represent CCWA’s interests in State Water Contractors Association and the State Water Project Contractors Authority. [Ongoing]

Status Ray Stokes is on the Board for the SWC and remains chair of the Audit finance Committee. Bill Brennan is on the Board of the SWPCA and the SFWCA, vice chair of the Energy Committee and is a member of the Risk Oversight, O&M and Engineering Committees. John Brady sits on the Water Quality Investigations, Engineering and O&M Committees.

Central Coast Water Authority
Administration Department
Fiscal Year 2013/14 Budget

Goal Create and present possible succession plan scenarios for CCWA personnel. [3/12]

Status Completed 3/12. Ray Stokes will take over as Executive Director as of summer 2013.

Goal Continue working with DWR and San Luis Obispo County to create capacity for water exchange programs. [12/12]

Status Entered into exchange programs with Dudley Ridge, Palmdale and Irvine Ranch water districts.

Goal Investigate exchange, groundwater banking and storage opportunities in Santa Barbara County, the Central Valley, and elsewhere in California. [12/12]

Status Ongoing.

Goals Devise alternate storage mechanisms to reduce the risk of losing future carryover water that gets stored in San Luis Reservoir.

Status *See above.*

Goal Continue work on Accounting Department and Administration Department policies and procedures manual chapters on Administrative, Project Participant Invoices, and Budget Preparation. [12/12]

Status In progress.

Goal Prepare the FY 2012/13 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the “Distinguished Budget Presentation” award. [7/12]

Status Submitted to GFOA.

Goal Prepare a Comprehensive Annual Financial Report for FY 2011/12 in conformance with GFOA and submit it to GFOA for the “Excellence in Financial Reporting” award. [12/12]

Status Submitted to GFOA.

Contracts

Goal Preserve benefits of Monterey Amendment (Amendment No. 16 to the State Water Contract) to CCWA’s project participants and its customers. [Ongoing]

Status Ongoing.

Central Coast Water Authority
Administration Department
Fiscal Year 2013/14 Budget

Goal Work with State Water Contractors to bring a new suite of amendments forward for discussion and incorporation into the Contract.

Status Work being done in conjunction with the Contract Extension Committee.

DWR Coordination

Goal Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance. [11/12]

Status Completed 11/12.

Goal Continue to participate within DWR's Municipal Water Quality Investigation Program. In addition, assist the DWR MWQI program with development of the five year update of the Delta Sanitary Survey. [finalized First Quarter 2012]

Status Staff reviewed and commented on the draft five year update of the Delta Sanitary Survey. Staff also reviewed and commented on the resulting Action Plan. Both the Sanitary Survey and Action Plan have now been finalized.

Goal Cooperate with and assist DWR in developing and implementing effective canal/forebay/tank maintenance. In addition, work with DWR to complete the internal inspection of the raw water pipeline at the Highway 46 crossing. [12/12]

Status DWR and CCWA staff have scheduled a meeting in January 2013 to plan the internal inspection of the raw water pipeline at the Highway 46 crossing.

Goal Continue to work with Department of Water Resource's O&M staff through the State Water Contractors O&M and Engineering Committees to control O&M expenses and when possible to capitalize high cost projects. [Ongoing]

Status Working with the SWP Deputy Director to review Engineering transparency, staffing, cost accounting and capital project planning

Goal Continue to work with the Department of Water Resource's Energy and Risk Management staff to stabilize costs and limit the uncertainty of power purchasing, sales, and generation. [Ongoing]

Status Developing an energy strategic plan for future power acquisition. Reviewed DWR Cap and Trade credit acquisitions. Reviewing contract closure for Reid Gardner Power Generating Plant.

Central Coast Water Authority
Administration Department
Fiscal Year 2013/14 Budget

Goal Assist DWR, the State Water Contractors, the Federal Bureau of Reclamation, and the Federal Central Valley Project Contractors to plan, design, and implement the Delta Habitat Conservation and Conveyance Plan. [Ongoing]

Status Revised administrative draft will be out in 1/13 and final draft by 7/13.

Post 2012 Goals

Goal Identify and implement mechanisms to firm up water supply reliability as needed.

Status Staff are currently looking for alternative locations to store carryover water.

Goal Identify and implement mechanisms to offset shortages due to drought.

Status Working with DWR to implement a market driven turn-back pool program.

Goal Work with State Water Contractors and DWR to develop and implement a multi-year water transfer policy.

Status Working with DWR and Transfers Committee staff to implement policy without a contract amendment.

2013 Goals

Administration and Accounting

Audit the entire Statement of Charges from DWR to CCWA for calendar year 2014 to determine that the amounts included in the Statement of Charges are correct and appropriate. This will be an on-going process throughout the year.

In conjunction with DWR, finalize the adjustments to the Coastal Branch Extension debt service allocations due to prior allocation errors in which DWR has allocated approximately \$10 million more in debt service costs to CCWA for the Coastal Branch Extension than the total construction costs financed. [12/13]

Work with the other SWC representatives to extend the State Water Contracts beyond 2035 to be able to finance potentially large capital expenditures over a longer period of time.

Participate and represent CCWA's interests in State Water Contractors Association and the State Water Project Contractors Authority. [Ongoing]

Continue working with DWR and San Luis Obispo County to create capacity for water exchange programs. [12/13]

Central Coast Water Authority
Administration Department
Fiscal Year 2013/14 Budget

Investigate permanent and/or long term water transfer opportunities for Carpinteria Valley Water District and other interested Project Participants

Investigate exchange, groundwater banking and storage opportunities in Santa Barbara County, the Central Valley, and elsewhere in California. [12/13]

Devise alternate storage mechanisms to reduce the risk of losing future carryover water that gets stored in San Luis Reservoir. [Ongoing]

Continue work on Accounting Department and Administration Department policies and procedures manual chapters on Administrative, Project Participant Invoices, and Budget Preparation. [12/13]

Prepare the FY 2013/14 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the “Distinguished Budget Presentation” award. [7/13]

Prepare a Comprehensive Annual Financial Report for FY 2012/13 in conformance with GFOA and submit it to GFOA for the “Excellence in Financial Reporting” award. [12/13]

Contracts

Preserve benefits of Monterey Amendment (Amendment No. 16 to the State Water Contract) to CCWA’s project participants and its customers. [Ongoing]

Work with State Water Contractors to bring a new suite of amendments forward for discussion and incorporation into the Contract.

DWR Coordination

Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance. [11/13]

Continue to participate within DWR’s Municipal Water Quality Investigation Program. In addition, assist the DWR MWQI program with the Delta Sanitary Survey. [12/13]

Cooperate with and assist DWR in developing and implementing effective canal/forebay/tank maintenance. In addition, work with DWR to complete the internal inspection of the raw water pipeline at the Highway 46 crossing. [11/13]

Continue to work with Department of Water Resource’s O&M staff through the State Water Contractors O&M and Engineering Committees to control O&M expenses and when possible to capitalize high cost projects. [Ongoing]

Continue to work with the Department of Water Resource’s Energy and Risk Management staff to stabilize costs and limit the uncertainty of power purchasing, sales, and generation. [Ongoing]

Assist DWR, the State Water Contractors, the Federal Bureau of Reclamation, and the Federal Central Valley Project Contractors to plan, design, and implement the Delta Habitat Conservation and Conveyance Plan. [Ongoing]

Central Coast Water Authority
Administration Department
Fiscal Year 2013/14 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

The Administration Department expenses are treated as fixed expenses for purposes of billing to the project participants. All project participants pay the Administration Department expenses based primarily on their proportional share of Table A amounts.

The Administration Department operating expense budget for FY 2013/14 is decreasing by \$66,786 or 5.25% when compared to the FY 2012/13 Budget. The total FY 2013/14 budget is \$1,204,358 compared to the FY 2012/13 budget of \$1,271,144. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are decreasing by approximately \$177,000 due to the following:

- Retirement of the current Executive Director and promotion of existing personnel within CCWA.
- Administration Department FY 2013/14 salary pool allocation of \$5,182 based on a salary pool percentage of 4.93% and an additional \$42,849 in additional salary increases for personnel being promoted consistent with the CCWA Board approved succession plan.
- Includes a full year of salary expense for the new Accounting Technician which was only budgeted for one-half year in FY 2012/13.
Decrease in other employee benefits of about \$41,000 due to the retirement of the existing Executive Director.

Professional Services The professional services budget is increasing by \$93,000 due to (1) a proposed \$48,000 consulting contract for consulting services to be provided for work on State Water Project Contractors Authority and other issues related to the State Water Project in Sacramento (2) a \$32,500 increase in anticipated legal expenses and (3) additionally, accounting services are increasing by \$13,000 due to the proposal to reengage Ernst & Young as auditors for the DWR Statement of Charges.

Other Expenses Other Expenses are increasing by \$11,000, primarily due to an increase in non-capitalized project expenses of \$25,550 (see below), partially offset by decreases in insurance costs, computer related expenses and appropriated contingency.

Central Coast Water Authority
Administration Department
 Fiscal Year 2013/14 Budget

Non-Capitalized Projects					
Project Description	Financial Reach	Total Project Cost ⁽¹⁾	WTP	Distribution	Administration
Server Operating System Upgrade	ADM	36,435	12,145	12,145	12,145
Storage Area Network (SAN) Expansion	ADM	8,715	2,905	2,905	2,905
Network Switch Replacement	ADM	31,500	10,500	10,500	10,500
TOTAL:		\$ 76,650	\$ 25,550	\$ 25,550	\$ 25,550

(1) Excludes CCWA labor and overhead costs.

Description:	Server Operating System Upgrade
Department:	Administration, Distribution, Water Treatment Plant (1/3 each dept)
Expanded Description	This project will replace the outdated operating systems for the Exchange Server, the Administration Domain Controller, the SQL Database Server, the Xenapp Server and the Water Treatment Plant Domain Controller Server. These servers are using the Windows 2003 operating system and there have been performance issues. This project will bring the operating systems to current versions.
Estimated Charge – Contractor	\$34,700
Contingency (5%)	<u>\$1,735</u>
Subtotal without CCWA Labor	\$36,435
CCWA Labor	\$8,632
Total Cost	\$45,067
Operating Budget Impact:	The CCWA network and associated servers are critical assets to the on-going agency operations. This system provides software applications to work stations, email, database functions, SCADA communications, security functions, data back-up and business continuity functions as well as supporting the agency's financial and human resources software. Loss of the functionality of the network will significantly reduce the overall productivity of the agency and may also impact the ability to treat and deliver potable water, which is the agency's main function.

Central Coast Water Authority
Administration Department
 Fiscal Year 2013/14 Budget

Description:	Storage Area Network (SAN) Expansion
Department:	Administration, Distribution, Water Treatment Plant (1/3 each dept)
Expanded Description	This project will include: (1) expand the capacity of the current SAN to support the disk space requirements of the planned 2013 Server Operating System upgrades for the Exchange Server, Domain Controller Server, Citrix Server and SQL Database Server and (2) Labor to install the required hard drives to the existing SAN in Buellton, take Virtual Servers offline, upgrade the SAN and licensing to the latest version, and restore Virtual Servers back to SAN volumes.
Estimated Charge – Contractor	\$8,300
Contingency (5%)	\$415
Subtotal without CCWA Labor	\$8,715
CCWA Labor	\$2,787
Total Cost	\$11,502
Operating Budget Impact:	The CCWA network and associated servers are critical assets to the on-going agency operations. This system provides software applications to work stations, email, database functions, SCADA communications, security functions, data back-up and business continuity functions as well as supporting the agency’s financial and human resources software. Loss of the functionality of the network will significantly reduce the overall productivity of the agency and may also impact the ability to treat and deliver potable water, which is the agency’s main function.

Central Coast Water Authority
Administration Department
 Fiscal Year 2013/14 Budget

Description:	Network Switch Replacement
Department:	Administration, Distribution, Water Treatment Plant (1/3 each dept)
Expanded Description	<p>A 10/100 MB Ethernet Network with a fiber optic cable backbone provides communication between the water treatment plant, distribution system facilities and the administrative offices. The fiber optic cable requires the use of switches to propagate communication</p> <p>communications link between the SCADA server located at the water treatment plant near Shandon and the SCADA server located at the administrative offices in Buellton, five fiber optic switches will be replaced.</p>
Estimated Charge - Contractor	\$30,000
Contingency (5%)	\$1,500
Subtotal without CCWA Labor	\$31,500
CCWA Labor	\$6,126
Total Cost	\$37,626
Operating Budget Impact	<p>The SCADA system is an important tool in the monitoring and control of the various treatment and conveyance facilities in the CCWA system. Without a functional SCADA System, operators would be required to visit each facility to conduct monitoring duties and make operational adjustments as required. The saving in labor costs is quite significant. If operated in manual mode, the treatment plant would require a three person team to conduct backwash, as opposed to using one single operator while using SCADA. If operated in manual mode, the distribution system would require a three person team to operate the pipeline following flow adjustments, as opposed to using a single operator while using SCADA.</p>

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2013/14 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2011/12	Number Auth. FY 2012/13	Number Requested FY 2013/14	Change Over FY 2011/12	Change Over FY 2012/13
Executive Director ^{(1) (2)}	0.50	0.50	0.50	-	-
Deputy Director ^{(1) (2)}	1.00	1.00	0.25	(0.75)	(0.75)
Operations Manager ^{(1) (2)}	0.25	0.25	-	(0.25)	(0.25)
Controller ⁽²⁾	-	-	1.00	1.00	1.00
Senior Accountant ⁽²⁾	1.00	1.00	-	(1.00)	(1.00)
Office Manager ⁽²⁾	-	-	1.00	1.00	1.00
Accounting Technician	-	0.50	1.00	1.00	0.50
Secretary II ⁽²⁾	1.75	1.75	0.75	(1.00)	(1.00)
TOTAL:	4.50	5.00	4.50	-	(0.50)

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2012/13 Total Annual Salary	Allocation to Admin Department
Executive Director ^{(1) (2)}	1	N/A	N/A	N/A	\$ 192,203	\$ 96,103
Deputy Director ^{(1) (2)}	1	N/A	N/A	N/A	\$ 134,446	\$ 33,612
Controller ⁽²⁾	1	23	\$ 8,268	\$ 10,087	\$ 90,476	\$ 90,476
Office Manager ⁽²⁾	1	18	\$ 6,361	\$ 7,761	\$ 65,099	\$ 65,099
Accounting Technician	1	12	\$ 4,686	\$ 5,717	\$ 56,232	\$ 56,232
Secretary II ⁽²⁾	1	11	\$ 4,447	\$ 5,425	\$ 48,824	\$ 48,824
FY 2013/14 Salary Pool						\$ 5,182
Increase from Promotion						\$ 42,849
TOTAL:						\$ 438,376

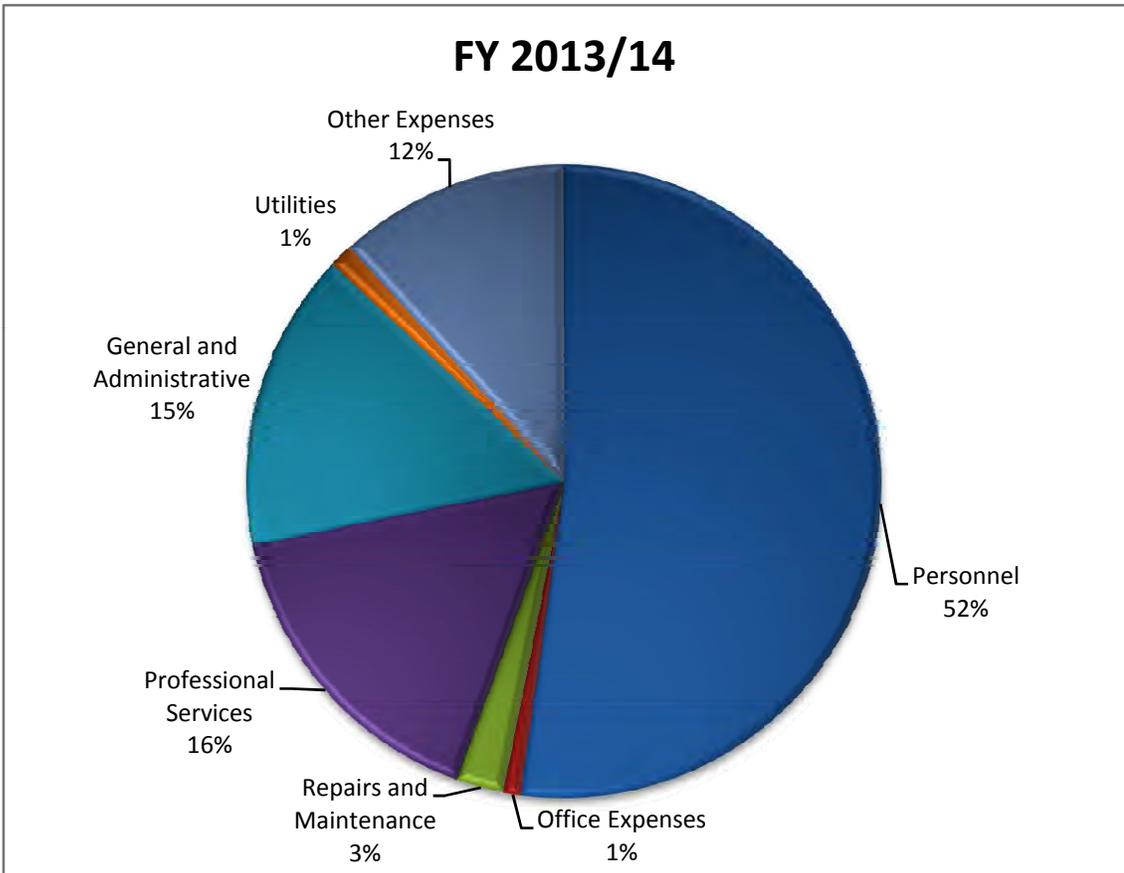
(1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).

The Deputy Director is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

(2) CCWA succession plan position changes approved by the Board on March 22, 2012.

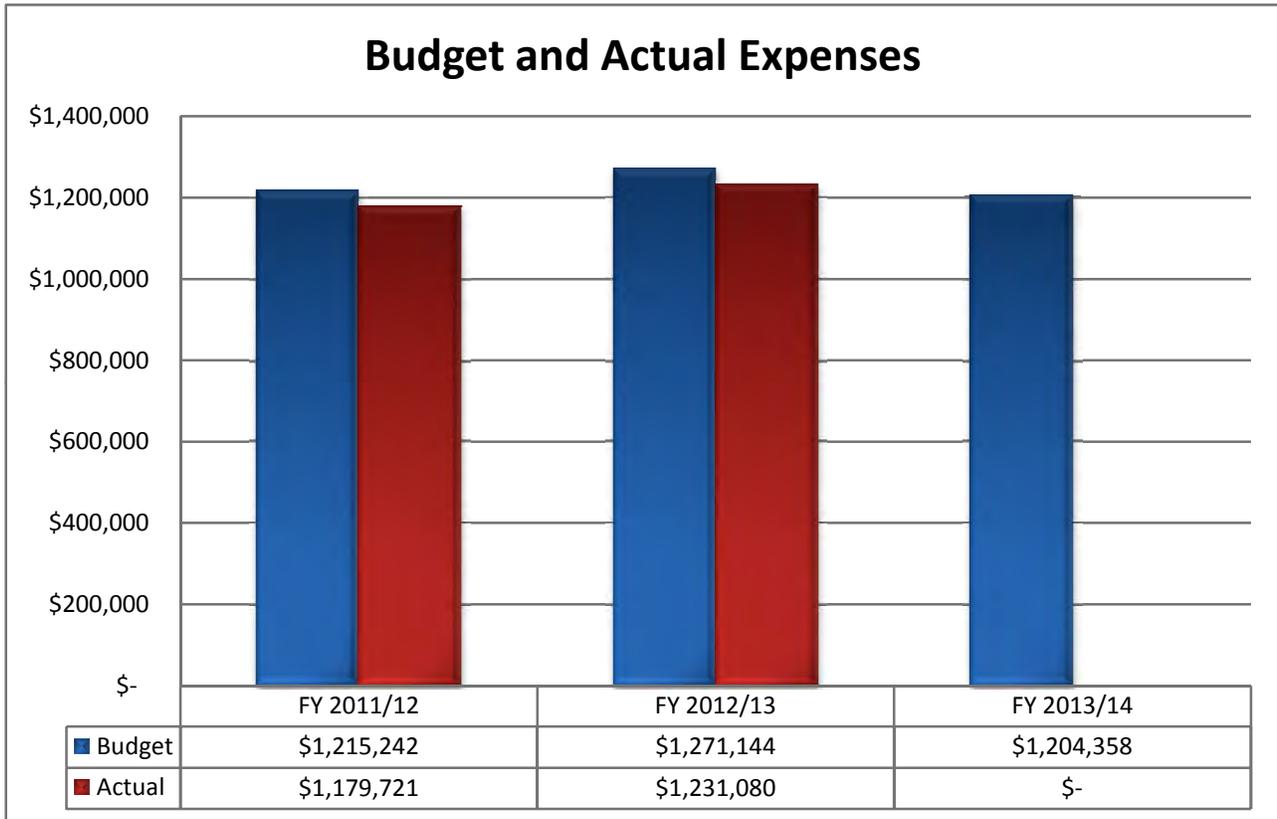
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2013/14 Budget

Item	FY 2013/14 Budget
Personnel	\$ 628,323
Office Expenses	10,500
Repairs and Maintenance	29,060
Professional Services	196,484
General and Administrative	183,716
Utilities	14,300
Other Expenses	141,975
TOTAL:	\$ 1,204,358



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2013/14 Budget

Item	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget
Personnel	\$ 739,012	\$ 773,192	\$ 805,877	\$ 821,758	\$ 628,323
Office Expenses	15,100	12,074	12,700	9,085	10,500
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	28,375	23,550	27,375	26,389	29,060
Professional Services	126,224	105,102	103,824	83,717	196,484
General and Administration	162,115	164,084	176,801	174,725	183,716
Utilities	14,084	12,421	14,192	12,914	14,300
Other Expenses	130,332	89,298	130,375	102,492	141,975
TOTAL:	\$ 1,215,242	\$ 1,179,721	\$ 1,271,144	\$ 1,231,080	\$ 1,204,358



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 525,908	\$ 558,293	\$ 574,962	\$ 585,049	\$ 438,375	\$ (136,587)	-23.76%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	4,000	351	2,000	5,134	2,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	105,755	110,442	117,142	120,608	91,226	(25,917)	-22.12%
5100.15	Medicare Taxes	7,753	8,972	8,449	9,613	6,617	(1,832)	-21.69%
5100.20	Health Insurance	47,162	45,312	55,143	45,707	43,768	(11,375)	-20.63%
5100.25	Workers' Compensation	4,967	3,988	4,226	6,009	4,525	299	7.07%
5100.30	Vehicle Expenses	18,000	17,377	18,000	18,000	9,000	(9,000)	-50.00%
5100.35	Retiree Medical Future Liability Dep.	4,750	1,336	5,750	5,750	6,175	425	7.39%
5100.40	Cafeteria Plan Benefits	6,192	8,127	7,522	7,071	15,974	8,452	112.37%
5100.45	Dental/Vision Plan	9,643	8,236	7,237	14,706	6,051	(1,185)	-16.38%
5100.50	Long-Term Disability	2,022	1,997	2,216	2,071	1,675	(540)	-24.39%
5100.55	Life Insurance	1,411	1,567	1,781	1,575	1,407	(374)	-20.99%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,200	600	1,200	466	1,280	80	6.67%
5100.65	Employee Education Reimbursement	250	189	250	-	250	-	0.00%
5100.86	Non-Capitalized Projects Overhead	-	6,407	-	-	-	-	N/A
Total Personnel Expenses:		739,012	773,192	805,877	821,758	628,323	(177,554)	-22.03%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	9,600	6,095	7,200	5,160	6,000	(1,200)	-16.67%
5200.30	Miscellaneous Office Expenses	5,500	5,978	5,500	3,926	4,500	(1,000)	-18.18%
Total Office Expenses:		15,100	12,074	12,700	9,085	10,500	(2,200)	-17.32%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-	N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-	N/A
5500.40	Safety Supplies	-	-	-	-	-	-	N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-	N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		-	-	-	-	-	-	N/A
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,000	3,073	5,000	5,899	5,500	500	10.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	20,315	18,209	19,315	18,495	20,500	1,185	6.14%
5700.40	Landscape Maintenance	3,060	2,268	3,060	1,995	3,060	-	0.00%
Total Repairs and Maintenance:		28,375	23,550	27,375	26,389	29,060	1,685	6.16%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	10,900	5,537	3,500	3,272	50,500	47,000	1342.86%
5400.20	Legal Services	90,000	77,488	75,000	57,932	107,500	32,500	43.33%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,324	2,077	3,324	2,513	3,484	160	4.81%
5400.60	Accounting Services	22,000	20,000	22,000	20,000	35,000	13,000	59.09%
Total Professional Services:		126,224	105,102	103,824	83,717	196,484	92,660	89.25%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	29,500	50,630	36,500	37,978	41,600	5,100	13.97%
5300.20	Mileage Reimbursement	1,000	760	1,000	1,097	1,000	-	0.00%
5300.30	Dues and Memberships	117,635	103,263	125,141	125,141	128,856	3,715	2.97%
5300.40	Publications	2,530	1,077	1,750	1,396	1,500	(250)	-14.29%
5300.50	Training	3,000	1,406	3,000	2,000	3,000	-	0.00%
5300.60	Advertising	850	791	850	-	-	(850)	-100.00%
5300.70	Printing and Binding	4,000	3,437	4,000	3,062	3,500	(500)	-12.50%
5300.80	Postage	3,600	2,720	4,560	4,052	4,260	(300)	-6.58%
Total General and Administrative:		162,115	164,084	176,801	174,725	183,716	6,915	3.91%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	420	394	420	439	450	30	7.14%
5800.30	Electric-Fixed	8,244	6,453	8,052	6,735	8,040	(12)	-0.15%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	900	1,333	1,200	1,273	1,200	-	0.00%
5800.50	Telephone	2,220	2,212	2,220	2,290	2,310	90	4.05%
5800.60	Waste Disposal	2,300	2,029	2,300	2,178	2,300	-	0.00%
Total Utilities:		14,084	12,421	14,192	12,914	14,300	108	0.76%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	21,009	19,861	21,576	20,000	16,923	(4,652)	-21.56%
5900.30	Non-Capitalized Projects	-	-	-	-	25,550	25,550	N/A
5900.40	Equipment Rental	6,752	5,234	5,340	4,480	5,020	(320)	-5.99%
5900.50	Non-Capitalized Equipment	2,500	100	2,500	3,012	2,500	-	0.00%
5900.60	Computer Expenses	76,243	64,102	76,035	75,000	68,367	(7,668)	-10.08%
5900.70	Appropriated Contingency	23,828	-	24,924	-	23,615	(1,310)	-5.25%
Total Other Expenses:		130,332	89,298	130,375	102,492	141,975	11,600	8.90%
TOTAL OPERATING EXPENSES		\$ 1,215,242	\$ 1,179,721	\$ 1,271,144	\$ 1,231,080	\$ 1,204,358	\$ (66,786)	-5.25%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5000.10 **ACCOUNT TITLE:** Full-Time Regular Salaries

Description: Funds for the Administration Department regular employees. Includes \$5,182 for the FY 2013/14 salary pool and \$42,849 for promotional increases.

FY 13/14 Requested Budget	438,375
FY 12/13 Estimated Actual	585,049
Increase (Decrease)	(146,674)

ACCOUNT NUMBER: 5000.20 **ACCOUNT TITLE:** Overtime

Description: Overtime expenses for non-exempt Administration employees.

FY 13/14 Requested Budget	2,000
FY 12/13 Estimated Actual	5,134
Increase (Decrease)	(3,134)

ACCOUNT NUMBER: 5000.30 **ACCOUNT TITLE:** Temporary Services

Description: Not funded.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.10 **ACCOUNT TITLE:** PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions.

Based on a 20.81% contribution rate for FY 2013/14

FY 13/14 Requested Budget	91,226
FY 12/13 Estimated Actual	120,608
Increase (Decrease)	(29,382)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.15 **ACCOUNT TITLE:** Medicare

Description: Funds for the employer portion of Medicare taxes for the Administration Department. Amount is equal to 1.45% of regular and overtime wages and employer paid deferred compensation contributions.

FY 13/14 Requested Budget	6,617
FY 12/13 Estimated Actual	9,613
Increase (Decrease)	(2,996)

ACCOUNT NUMBER: 5100.20 **ACCOUNT TITLE:** Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for Administration employees. Budget amount is based on actual medical insurance election for the Administration Department based on dependent status. Includes an estimated increase of 5% for 2014.
 Family: \$ 20,026
 Emp+1: \$ 15,405
 Emp: \$ 7,702

FY 13/14 Requested Budget	43,768
FY 12/13 Estimated Actual	45,707
Increase (Decrease)	(1,938)

ACCOUNT NUMBER: 5100.25 **ACCOUNT TITLE:** Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on an X-Mod rate of 109%. Based on a 5% premium increase over FY 2012/13.

FY 13/14 Requested Budget	4,525
FY 12/13 Estimated Actual	6,009
Increase (Decrease)	(1,484)

ACCOUNT NUMBER: 5100.30 **ACCOUNT TITLE:** Vehicle Expenses

Description: Auto allowance for the Executive Director in the amount of \$750 each per month. Decrease due to retirement of existing Executive Director.

FY 13/14 Requested Budget	9,000
FY 12/13 Estimated Actual	18,000
Increase (Decrease)	(9,000)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.35 **ACCOUNT TITLE:** Retiree Medical Future Liability Deposit

Description: Estimates \$1,300 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

FY 13/14 Requested Budget	6,175
FY 12/13 Estimated Actual	5,750
Increase (Decrease)	425

ACCOUNT NUMBER: 5100.40 **ACCOUNT TITLE:** Cafeteria Plan Benefits

Description: Funds for the portion of the cafeteria plan benefits which exceed the premium costs for the Administrative employees based on each employee's benefit election.

FY 13/14 Requested Budget	15,974
FY 12/13 Estimated Actual	7,071
Increase (Decrease)	8,902

ACCOUNT NUMBER: 5100.45 **ACCOUNT TITLE:** Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,156 per year per family for dental and vision expenses. Budgeted amount is \$1,862 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 13/14 Requested Budget	6,051
FY 12/13 Estimated Actual	14,706
Increase (Decrease)	(8,655)

ACCOUNT NUMBER: 5100.50 **ACCOUNT TITLE:** Long-Term Disability Insurance

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.43 per \$100 of salary.

FY 13/14 Requested Budget	1,675
FY 12/13 Estimated Actual	2,071
Increase (Decrease)	(396)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.55 **ACCOUNT TITLE:** Life Insurance

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employee's annual salary to a maximum of \$100,000.

FY 13/14 Requested Budget	1,407
FY 12/13 Estimated Actual	1,575
Increase (Decrease)	(168)

ACCOUNT NUMBER: 5100.65 **ACCOUNT TITLE:** Employee Education Reimbursement

Description: Funds for reimbursement of employee educational expenses under the policy established by CCWA.

FY 13/14 Requested Budget	250
FY 12/13 Estimated Actual	-
Increase (Decrease)	250

ACCOUNT NUMBER: 5100.80 **ACCOUNT TITLE:** Employee Incentive Programs

Description: Funds to encourage employee safety through safety awards and incentive programs and the Employee Achievement Awards Program (EAAP).

FY 13/14 Requested Budget	1,280
FY 12/13 Estimated Actual	466
Increase (Decrease)	814

Safety Program	\$	680
EAAP	\$	600
TOTAL:	\$	1,280

ACCOUNT NUMBER: 5200.20 **ACCOUNT TITLE:** Office Supplies

Description: Funds for Office supplies for the Administration Department. Based on \$600 per month in office supply expenses.

FY 13/14 Requested Budget	6,000
FY 12/13 Estimated Actual	5,160
Increase (Decrease)	840

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5200.30 **ACCOUNT TITLE:** Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards and kitchen supplies \$125.

FY 13/14 Requested Budget	4,500
FY 12/13 Estimated Actual	3,926
Increase (Decrease)	574

ACCOUNT NUMBER: 5300.10 **ACCOUNT TITLE:** Meetings and Travel

Description: Funds for meetings and travel expenses for the Administration Department employees and SWC Consultant.

FY 13/14 Requested Budget	41,600
FY 12/13 Estimated Actual	37,978
Increase (Decrease)	3,622

\$	2,000	ACWA Conferences
\$	33,600	SWC Meetings (\$2,800 per month)
\$	2,000	DWR/Sacramento/MWQI
\$	4,000	Other miscellaneous meetings
\$	41,600	

ACCOUNT NUMBER: 5300.20 **ACCOUNT TITLE:** Mileage Reimbursement

Description: Funds for mileage reimbursement based on the IRS current standard mileage rate.

FY 13/14 Requested Budget	1,000
FY 12/13 Estimated Actual	1,097
Increase (Decrease)	(97)

ACCOUNT NUMBER: 5300.30 **ACCOUNT TITLE:** Dues and Memberships

Description: Funds for professional dues.

FY 13/14 Requested Budget	128,856
FY 12/13 Estimated Actual	125,141
Increase (Decrease)	3,715

\$	75,469	SWC Bay Delta Charges
\$	1,854	SWPCA JPA & SFCWA JPA Dues
\$	6,400	MWQI Charges for 2013 Calendar Year
\$	16,443	ACWA
\$	16,441	SWPCA Delta Specific Project Committee
\$	2,250	Support various water education programs
\$	7,000	Prop 84 Fee
\$	3,000	Employee Professional Dues and Misc.
\$	128,856	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5300.40 **ACCOUNT TITLE:** Publications

Description: Funds for publications received by CCWA
 \$ 750 Personnel related subscriptions
 \$ 500 Employee professional publications
 \$ 250 Other Publications - General
 \$ 1,500 TOTAL

FY 13/14 Requested Budget	1,500
FY 12/13 Estimated Actual	1,396
Increase (Decrease)	104

ACCOUNT NUMBER: 5300.50 **ACCOUNT TITLE:** Training

Description: Funds for training of CCWA personnel.
 Does not include educational reimbursement expenses.

FY 13/14 Requested Budget	3,000
FY 12/13 Estimated Actual	2,000
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5300.60 **ACCOUNT TITLE:** Advertising

Description: Funds for public relations expenses for
CCWA including advertising for open positions and subscription to
"Jobs Available."

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.70 **ACCOUNT TITLE:** Printing and Binding

Description: Funds for the printing and binding of CCWA
documents including the Board packets, the annual budget, and the
Comprehensive Annual Financial Report (CAFR).

FY 13/14 Requested Budget	3,500
FY 12/13 Estimated Actual	3,062
Increase (Decrease)	438

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: <u>5300.80</u>	ACCOUNT TITLE: <u>Postage</u>
	Description: <u>Funds for all postal and mail expenses.</u>
	\$ 3,960 Postage meter expenses (\$330 per month)
FY 13/14 Requested Budget 4,260	\$ 300 Overnight and shipping svcs (\$25 per month)
FY 12/13 Estimated Actual 4,052	\$ 4,260 TOTAL
Increase (Decrease) 208	

ACCOUNT NUMBER: <u>5400.10</u>	ACCOUNT TITLE: <u>Professional Services</u>
	Description: <u>Funds for miscellaneous consultants and other services.</u>
FY 13/14 Requested Budget 50,500	\$ 2,500 Administration office alarm system
FY 12/13 Estimated Actual 3,272	\$ 48,000 Consultant for State Water Contractor
Increase (Decrease) 47,228	issues in Sacramento. Based on a flat rate of \$3,000 per month, plus an additional \$1,000 per month for potential other services as needed.

ACCOUNT NUMBER: <u>5400.20</u>	ACCOUNT TITLE: <u>Legal Services</u>
	Description: <u>Funds for CCWA legal services.</u>
FY 13/14 Requested Budget 107,500	\$ 100,000 Brownstein Hyatt Farber General Counsel
FY 12/13 Estimated Actual 57,932	\$ 5,000 Stradling Yocca Carlson Personnel Counsel
Increase (Decrease) 49,568	\$ 2,500 Metropolitan Water/Monterey II Litigation
	\$ 107,500 TOTAL

ACCOUNT NUMBER: <u>5400.30</u>	ACCOUNT TITLE: <u>Engineering Services</u>
	Description: <u>Funded in the Water Treatment Plant and Distribution Department budgets.</u>
FY 13/14 Requested Budget -	
FY 12/13 Estimated Actual -	
Increase (Decrease) -	

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5400.50 **ACCOUNT TITLE:** Non-Contractual Services

Description: Funds for miscellaneous non-contractual services such as the Section 125 plan administration fees and the employee assistance program.

FY 13/14 Requested Budget	3,484
FY 12/13 Estimated Actual	2,513
Increase (Decrease)	971

\$	1,284	IRC 125 Plan administraton fees (\$107 per mo)
\$	1,200	Employee Assistance Program
\$	1,000	Other miscellaneous
\$	3,484	TOTAL

ACCOUNT NUMBER: 5400.60 **ACCOUNT TITLE:** Accounting Services

Description: Funds for the annual audit of the FY 2011/12 Financial Statements.

FY 13/14 Requested Budget	35,000
FY 12/13 Estimated Actual	20,000
Increase (Decrease)	15,000

\$	22,000	Nasiff, Hicks & Company
\$	13,000	Ernst & Young, LLP
\$	35,000	TOTAL

ACCOUNT NUMBER: 5700.10 **ACCOUNT TITLE:** Equipment Repairs and Maintenance

Description: Funds for repairs to administration office equipment including maintenance agreements.

FY 13/14 Requested Budget	5,500
FY 12/13 Estimated Actual	5,899
Increase (Decrease)	(399)

\$	4,500	Copier maintenance agreement
\$	1,000	Other misc. equipment repairs
\$	5,500	TOTAL

ACCOUNT NUMBER: 5700.30 **ACCOUNT TITLE:** Building Maintenance

Description: Funds for minor repairs to the Administration office building and janitorial services.

FY 13/14 Requested Budget	20,500
FY 12/13 Estimated Actual	18,495
Increase (Decrease)	2,005

\$	525	Monthly Pest Control
\$	13,975	Janitorial services and supplies
\$	4,500	Building repairs (includes \$2,000 for HVAC)
\$	1,500	HVAC quarterly maintenance
\$	20,500	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5700.40 **ACCOUNT TITLE:** Landscape Maintenance

Description: Funds for landscape maintenance at the Administration office building.

FY 13/14 Requested Budget	3,060
FY 12/13 Estimated Actual	1,995
Increase (Decrease)	1,065

\$	2,280	Gardener (\$190 per month)
\$	480	Irrigation Water (\$40 per month)
\$	300	Miscellaneous
\$	3,060	TOTAL

ACCOUNT NUMBER: 5800.20 **ACCOUNT TITLE:** Natural Gas

Description: Funds for natural gas service to the Administration building (\$37.50 per month).

FY 13/14 Requested Budget	450
FY 12/13 Estimated Actual	439
Increase (Decrease)	11

ACCOUNT NUMBER: 5800.30 **ACCOUNT TITLE:** Electric

Description: Funds for electrical service to the Administration building (\$670 per month).

FY 13/14 Requested Budget	8,040
FY 12/13 Estimated Actual	6,735
Increase (Decrease)	1,305

ACCOUNT NUMBER: 5800.40 **ACCOUNT TITLE:** Water and Sewer

Description: Funds for water and sewer service for the Administration building (\$100 per month).

FY 13/14 Requested Budget	1,200
FY 12/13 Estimated Actual	1,273
Increase (Decrease)	(73)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5800.50 **ACCOUNT TITLE:** Telephone

Description: Funds for long distance, local and cellular phone service.

FY 13/14 Requested Budget	2,310	\$	150	Long distance and 800# (\$12.50 per month)
FY 12/13 Estimated Actual	2,290	\$	1,560	Local long distance (\$130 per month)
Increase (Decrease)	20	\$	600	Cell phone airtime (\$50 per month)
		\$	2,310	TOTAL

ACCOUNT NUMBER: 5800.60 **ACCOUNT TITLE:** Waste Disposal

Description: Funds for waste disposal services for the Administration building.

FY 13/14 Requested Budget	2,300	\$	2,100	Waste Disposal service (\$175 per month)
FY 12/13 Estimated Actual	2,178	\$	200	Hazardous Waste Disposal
Increase (Decrease)	122	\$	2,300	TOTAL

ACCOUNT NUMBER: 5900.10 **ACCOUNT TITLE:** Insurance

Description: Funds for insurance related expenses.

FY 13/14 Requested Budget	16,923	\$	1,477	Property and auto insurance based on allocation provided by JPIA
FY 12/13 Estimated Actual	20,000	\$	13,747	General Liability and E&O apportioned by payroll percentages
Increase (Decrease)	(3,077)	\$	1,699	Employee fidelity bond
		\$	16,923	TOTAL

ACCOUNT NUMBER: 5900.30 **ACCOUNT TITLE:** Non-Capitalized Projects

Description: Funds for projects around the Buellton Administrative Offices which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria.

FY 13/14 Requested Budget	25,550
FY 12/13 Estimated Actual	-
Increase (Decrease)	25,550

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5900.40 **ACCOUNT TITLE:** Equipment Rental

Description: Funds for rental of equipment.

FY 13/14 Requested Budget	5,020	\$	1,460	Postage meter (\$365 per quarter)
FY 12/13 Estimated Actual	4,480	\$	3,060	Copier lease (\$255 per month)
Increase (Decrease)	540	\$	500	Other
		\$	5,020	TOTAL

ACCOUNT NUMBER: 5900.50 **ACCOUNT TITLE:** Non-Capitalized Equipment

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 13/14 Requested Budget	2,500
FY 12/13 Estimated Actual	3,012
Increase (Decrease)	(512)

ACCOUNT NUMBER: 5900.60 **ACCOUNT TITLE:** Computer Expenses

Description: Funds for computer expenses including minor software purchases, minor equipment purchases and service contracts.

FY 13/14 Requested Budget	68,367	\$	61,867	CompuVision, Annual Service Agreements and Software Subscriptions
FY 12/13 Estimated Actual	75,000	\$	6,500	Software and other computer services
Increase (Decrease)	(6,633)	\$	68,367	TOTAL

ACCOUNT NUMBER: 5900.70 **ACCOUNT TITLE:** Appropriated Contingency

Description: 2.0% of operating expenses

FY 13/14 Requested Budget	23,615
FY 12/13 Estimated Actual	-
Increase (Decrease)	23,615



Caustic Tank Scaffold Installation Project

Water Treatment Plant Department

The Water Treatment Plant Department receives raw water from DWR and operates and maintains the Polonio Pass Water Treatment Plant. The Department treats the water utilizing full conventional treatment technologies to meet all state and federal potable water standards and performs all chemical and biologic analyses required by the California Department of Public Health and the U.S. Environmental Protection Agency.

Highlights

Department Information

- Number of employees 14.80
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2013/14 requested water deliveries 32,324 acre-feet

Budget Information

- Total FY 2013/14 O&M Budget \$ 4,137,529
- O&M Budget increase over FY 2012/13 \$ 375,128
 - Fixed cost increase over FY 2012/13 \$ 351,432
 - Variable cost increase over FY 2012/13 \$ 23,696
- Percentage increase 9.97%
- Fixed O&M Expenses \$ 2,914,455
- Variable O&M Expenses \$ 1,223,074
- FY 2012/13 budgeted chemical cost \$ 36.14 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 41.28
 - Variable \$ 2.61
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 144.00
 - Variable \$ 36.70

Significant Accomplishments During FY 2012/13

- WTP Operations, Instrumentation and Engineering staff reduced the costs for implementing the new SCADA System by approximately 50%, as compared to the costs obtained through a competitively bid turnkey approach. Cost savings were achieved through utilizing CCWA staff for integration work with an experienced integration consultant, and directly procuring software and hardware.
- WTP Operations, Instrumentation and Engineering staff expanded the use of the agency's Computerize Maintenance Management System (CMMS). The CMMS was also upgraded to allow all staff to make work requests, to ensure that all work requests are reviewed by the supervisor group. The CMMS is utilized to produce equipment exception reports, weekly work plans and work request reports for work scheduled and coordinated during the weekly meetings.

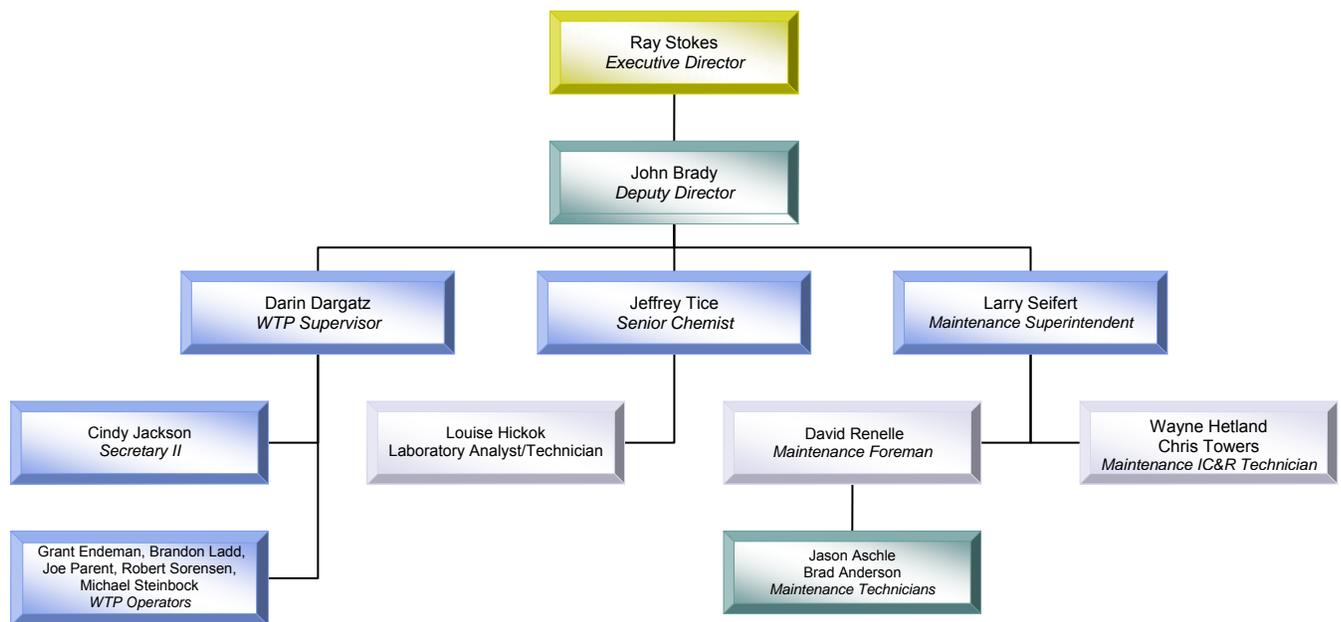
Significant Goals for FY 2013/14

- Develop a formal program to coordinate annual internal inspections of the water treatment plant chemical tanks. The program will outline coordinating inspections with ongoing operations, preparing the tanks for inspection, temporary chemical storage needs, scope of inspection and contractor qualifications
- Following the recommendations of CCWA geotechnical consultant, construct a toe-berm and french drain to address the side slope leakage from Lagoons A and B into Lagoon C at the WTP.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

The Water Treatment Plant Department receives raw water from DWR, operates and maintains the Polonio Pass Water Treatment Plant and performs all chemical and biologic analyses required by the California Department of Public Health.

The Water Treatment Plant Department is supervised by the Water Treatment Plant Supervisor who is responsible for the day-to-day treatment plant operations, maintenance and laboratory functions.



The five (5) Plant Operators operate the treatment plant and monitor the distribution pipeline on a full-time 24 hour per day basis. They place raw water orders to DWR based on system demand, treat the water according to current plant operating parameters, perform water quality analyses, monitor the plant and pipeline Supervisory Control and Data Acquisition (SCADA) system, and assist the maintenance and laboratory sections as required.

The Maintenance Superintendent oversees plant maintenance and supervises the two (2) Maintenance/IC&R Technicians and the Maintenance Foreman. Together with available operations staff, they keep the treatment plant in full operation.

The Maintenance Foreman is responsible for the daily plant maintenance and supervises two (2) Maintenance Technicians.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

The Senior Chemist and Chemist operate the plant laboratory. All analyses required by the Environmental Protection Agency and Department of Public Health or needed for plant process control are either performed in-house or sent to a contract laboratory by the Senior Chemist. The Senior Chemist also submits all federal and state mandated reports, provides laboratory data to project participants, oversees the water sampling program, maintains all laboratory equipment, and trains Operations and Maintenance staff in laboratory safety and procedures.

The Maintenance Instrumentation Calibration and Repair Technician repairs instruments and electronics both at the Water Treatment Plant and along the Pipeline.

The following pages list the 2012 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2013 goals for the Water Treatment Plant Department.

Operations and Maintenance

Goal Review distribution operations and compare to AWWA G200-09 Distribution System Operations and Management. Confirm that operation is managed pursuant to the standard. [6/12]

Status Completed.

Goal Review treatment plant operations and compare to AWWA G100-11 Water Treatment Plant Operations and Management. Confirm that operation is managed pursuant to the standard. [6/12]

Status Completed.

Goal Implement a formal valve exercise program. [12/12]

Status A draft program description has been prepared. Staff has also developed new forms to be used during the exercise of valve. The forms will be incorporated into the CCWA GIS System.

Goal Implement additional internal corrosion monitoring techniques for the pipeline. [4/12]

Status Weekly samples from the turnouts and reservoirs are now analyzed for Langelier Saturation Indices and also for Calcium Carbonate Precipitation Potential. Staff also research additional inspection techniques while conducting the annual internal pipe inspections.

Goal Expand the cathodic protection system monitoring program through including close interval surveys to ultimately cover the entire length of the pipeline. In addition, internal pipeline inspection will be expanded to include mortar sampling, if merited. [throughout 2012]

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

Status Close interval survey equipment has been purchased. Training is scheduled for January 2013. In addition, Distribution staff continues to pursue cathodic protection training and certification through the Western State Corrosion Seminar.

Goal Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [throughout 2012]

Status CCWA staff are correlating raw water chlorine demand with sediment removal activities. Chlorine demand in raw water has significantly been reduced following the cleaning of Polonio Pass and Blue Stone Pumping Plant Forebays.

Goal Continue with off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant and continue monitoring pumping efficiency. [throughout 2012]

Status Staff operates the Santa Ynez Pumping Plant during off-peak hours only, whenever possible.

Goal Continue monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. In addition, continue to conduct special studies on filter performance as a means to optimize filter life and treatment effectiveness. [throughout 2012]

Status Filter media samples have been collected and analyzed. No degradations of hydraulic performance noted.

Goal Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and re-vegetation and erosion control. [Ongoing]

Status Several labor optimization efforts have been implemented. Routing Indices are utilized to ensure distribution staff is optimally routed in completing tasks along the pipeline. The expanded use of FastMaint, a CMMS, to ensure work is planned, coordinated and completed on time.

The costs for implementing the new SCADA System for CCWA were reduced by approximately 50% through utilizing CCWA staff for integration work, directly procuring the software and hardware directly, and utilizing an experienced integration consultant to assist CCWA staff.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

In anticipation of the SCADA Project workload, various CCWA staff cross trained with the Instrumentation Department. This allowed the Instrumentation Department to focus on the SCADA Project, while other staff completed routine instrumentation duties.

CCWA took advantage of the winter shutdown to combine efforts to conduct an internal inspection of the pipeline and install an isolation valve at the Shandon Turnout location. This action eliminated the future need to cease water delivery operations to activate the Shandon Turnout once the turnout construction was completed.

CCWA staff cost effectively implemented a temperature monitoring program for the outlet works of Bradbury Dam. CCWA staff developed the monitoring strategy, facilitated discussion among the stakeholder to gain concurrence, and completed the field work to install the required system.

CCWA staff coordinated a system security review by the Department of Homeland Security.

Goal Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]

Status Ongoing.

Goal Assist project participants in preparing to meet new federal and state water quality regulations. [Ongoing]

Status Ongoing.

Goal Continue to refine the Nitrification Response Plan through additional laboratory studies and through analysis of operating and water quality monitoring data. [Ongoing]

Status Ongoing.

Goal Develop an in-house asphalt pavement inspection and repair program to include staff training and the purchase of required asphalt repair equipment to facilitate more cost effective repairs, while increasing the longevity of asphalt surfaces. [3/12]

Status Completed.

Goal Implement a feasibility study to consider the use of wireless voltage and current monitoring of the pipeline cathodic protection system rectifiers. [12/12]

Status No action taken to date.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

2013 Goals

Continue with efforts to align the management and operation of the CCWA Treatment Plant and Distribution System with the development of written Standard Operating Procedures. [12/13]

Establish a plan to catch up on deferred maintenance in an orderly and cost effective manner. The pavement inspection program will be utilized to identify pavement requiring slurry/fog sealing or repair and will schedule according to need and budget. In addition, all major facilities will be evaluated to identify painting needs and schedule according to need and budget. [4/13]

Continue the cathodic protection system monitoring program to include close interval survey efforts. As staff gains experience with close interval survey procedures, internal pipeline inspection, video monitoring and mortar sampling, if merited. [11/13]

Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [11/13]

Continue with off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant and continue monitoring pumping efficiency. [12/13]

Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and re-vegetation and erosion control. [Ongoing]

Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]

Assist project participants in preparing to meet new federal and state water quality regulations. [Ongoing]

Implement a feasibility study to consider the use of wireless voltage and current monitoring of the pipeline cathodic protection system rectifiers. [12/13]

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2013/14 Budget

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

The expenses associated with operating the Water Treatment Plant are divided into fixed and variable O&M costs.

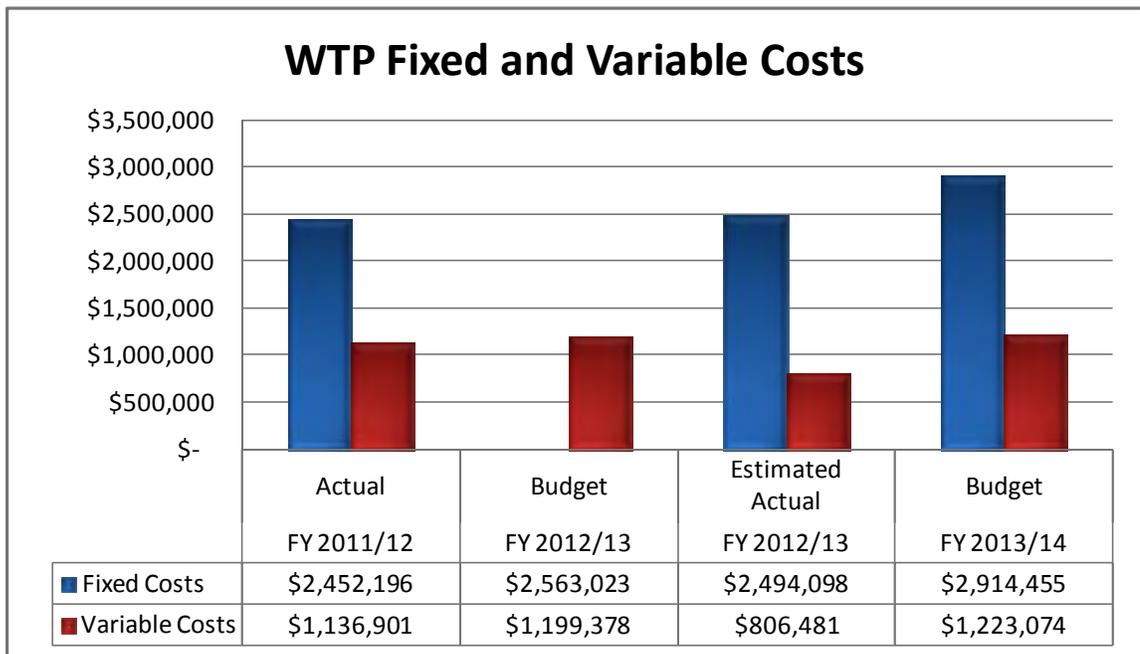
Fixed O&M Costs are costs of the treatment plant that do not vary with the amount of water processed at the treatment plant. These include personnel costs, professional services, general and administrative costs.

For FY 2013/14, the Water Treatment Plant fixed O&M costs total \$2,914,455 or \$351,432 more than the FY 2012/13 budget.

Variable O&M Costs are costs that vary with the amount of water processed at the treatment plant. These costs include chemical and electrical costs.

For FY 2013/14, the Water Treatment Plant variable O&M costs total \$1,223,074, or \$23,696 more than the FY 2012/13 budget. The FY 2013/14 variable O&M budget is comprised of \$1,186,085 for chemical expenses and \$36,989 for electrical costs based on treatment and delivery of 33,324 acre-feet of water for the year.

The following graph shows the allocation of fixed and variable O&M costs at the plant for the fiscal years indicated.



Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

Variable O&M Costs Excluding San Luis Obispo County: San Luis Obispo County (SLO) does not pay for costs of dechloraminating water at the Santa Ynez Pumping Facility before the water is discharged into Lake Cachuma.

Allocation of Water Treatment Plant Expenses: All project participants pay for fixed costs at the Water Treatment Plant based on their State water Table A allocation.

Fiscal Year 2013/14 Operating Expense Budget

The FY 2013/14 water treatment plant operating expense budget is \$4,137,529 which is \$375,128 more than the previous year's budget of \$3,762,401, a 9.97% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 50% of the budget. Supplies and equipment comprise 29% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment and utilities section of the budget. The chart on page 146 shows the allocation of the various components of the water treatment plant operating expense budget.

Personnel Expenses Total personnel expenses are increasing by about \$174,000 when compared to the FY 2012/13 budget for the following reasons.

- An increase in full-time regular wages for the FY 2013/14 salary pool allocation of \$55,025 coupled with \$12,529 in increases for certain positions being promoted as part of the CCWA Board-approved succession plan.
- Reclassifying the allocation percentage for the Maintenance, Calibration and Repair Technician to 80% for the Water Treatment Plant with the remaining 20% funded from the Distribution Department budget. The FY 2012/13 budget allocated 20% to the Water Treatment Plant and 80% to Distribution.
- Health insurance and cafeteria plan increases of about \$35,000 due to 16% increase in medical insurance premiums for calendar year 2013.
- Workers' compensation insurance premiums are about \$19,000 higher than the prior year amount due to an increase in the experience modification factor from .77% for FY 2011/12 to 1.09% for FY 2012/13.
- PERS retirement expense increase of about \$22,000 due to the reallocation of the Maintenance, Calibration and Repair Technician as discussed above. The employer and employee contribution rate for FY 2013/14 is 20.810% compared to the prior year amount of 20.374%

Other Expenses Other expenses are increasing by approximately \$156,000 due to an increase in non-capitalized projects.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2013/14 Budget

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension is funded through the CCWA O&M assessments. Additionally, certain portions of the facilities around the Polonio Pass Water Treatment are owned by DWR but also operated and maintained by CCWA such as the access road to the Water Treatment Plant. Since CCWA does not own the DWR facilities, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the Water Treatment Plant which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table is a summary of the FY 2013/14 Water Treatment Plant Non-Capitalized Projects.

<i>Non-Capitalized Projects</i>			
Project Description	Financial Reach	Amount ⁽¹⁾	
Blower Soft-Start System.	WTP	\$	10,206
Plotter for As-built Drawing Preparation	WTP		6,804
Filter Effluent-CBB Project	WTP		17,850
Slurry Seal Pavement, Clear Well Area at WTP	WTP		67,620
Aqua-Ammonia Liner Installation	WTP		26,250
Lagoon Repair Project, to Install French Drain	WTP		39,690
Chemical Tank Inspections	WTP		17,010
Server Operating System Upgrade ⁽²⁾	WTP		12,145
Storage Area Network (SAN) Expansion ⁽²⁾	WTP		2,905
Network Switch Replacement ⁽²⁾	WTP		10,500
TOTAL:		\$	210,980
⁽¹⁾ Excludes CCWA labor and overhead costs. ⁽²⁾ Please refer to the Administration Department section of this budget for narrative description of these projects.			

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2013/14 Budget

Description:	Blower Soft-Start System
Department:	Water Treatment Plant
Expanded Description	The filters at the water treatment plant are periodically backwashed to clean the filters. As part of the backwash process, air blowers are used to “air scour” the filter media. These blower units have the largest motors in the plant. An electronic control known as a “soft-start” unit allows these large blower motors to turn on gradually, as opposed to turning on instantly. The gradual start allows the motor to come up to full speed without a large overwhelming draw on power within the plant. This project is to replace an existing soft-start unit that has malfunctioned.
Estimated Charge - Material	\$9,000
Sales Tax (8.0%)	\$720
Contingency (5%)	\$486
Subtotal without CCWA Labor	\$10,206
Labor and overhead	\$1,028
Total Cost	\$11,234
Operating Budget Impact:	If the water treatment plant were to lose utility power, an onsite emergency generator would activate. If this emergency generator were operating, the filter blower units would not be able to start without a soft start system. If the blower could not operate, the filters could not be effectively backwashed. This could potentially reduce or completely stop the production of the water treatment plant.

Description:	Plotter for As-built Drawing Preparation
Department:	Water Treatment Plant
Expanded Description	A new plotter will be purchased as part of an effort to update the water treatment plant as-built record drawings, with emphasis on instrumentation drawings.
Estimated Charge – Materials	\$6,000
Taxes (8.0%)	\$480
Contingency (5%)	\$324
Subtotal without CCWA Labor	\$6,804
CCWA Labor	\$585
Total Cost	\$7,389
Operating Budget Impact:	Through maintaining accurate as-built engineering records, an effective preventative maintenance program can be established. Accurate records will facilitate diagnosis of operational issues should they occur and will also allow for an accurate scoping of repair if needed. Inaccurate engineering records can result in misdirected efforts and could result in greater damage.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2013/14 Budget

Description:	Filter Effluent-CCB Project
Department:	Water Treatment Plant
Expanded Description	This project will address the issue of the damaged lining of combined filter effluent pipeline. A new access hatch will be installed in the filter effluent line to provide safer access. Following installation of the hatch, new lining will be installed within the pipe.
Estimated Charge – Contractor	\$17,000
Contingency (5%)	<u>\$850</u>
Subtotal without CCWA Labor	\$17,850
CCWA Labor	\$4,711
Total Cost	\$22,561
Operating Budget Impact:	The purpose of the interior pipe lining is to protect the pipe from internal corrosion. Since the lining was observed to be damaged as well as observations of corrosion of the underlying pipe, repair is merited to avoid leakage and emergency repair. Since there is no convenient access to the combined filter effluent pipeline, an access hatch for contractor equipment is required. The old lining must be removed prior to installation of a new lining. The time and effort to maneuver equipment into the work location would be significant if the access hatch were not installed. The access hatch would also provide efficient access to future planned work. As with all preventative maintenance work, planned prevention is significantly lower than an unplanned expedited repair.

Description:	Slurry Seal Pavement, Clear Well Area at WTP
Dep	Water Treatment Plant
Expanded Description	Based on staff's detailed assessment of all of the paved surfaced managed by CCWA, the asphalt pavement surround the clearwells at the water treatment plant was ranked as a high priority for fog sealing. The area of pavement to be fog sealed is 230,000 square feet.
Estimated Charge – Contractor	\$64,400
Contingency (5%)	<u>\$3,220</u>
Subtotal without CCWA Labor	\$67,620
CCWA Labor	\$1,556
Total Cost	\$69,176
Operating Budget Impact:	Fog sealing acts as a rehabilitative measure to reverse the oxidation process that occurs with asphalt through time due to exposure to the elements. Through implementing appropriate rehabilitative measures, re-paving is postponed, which results in an overall reduction in the operations and maintenance costs for the pavement.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2013/14 Budget

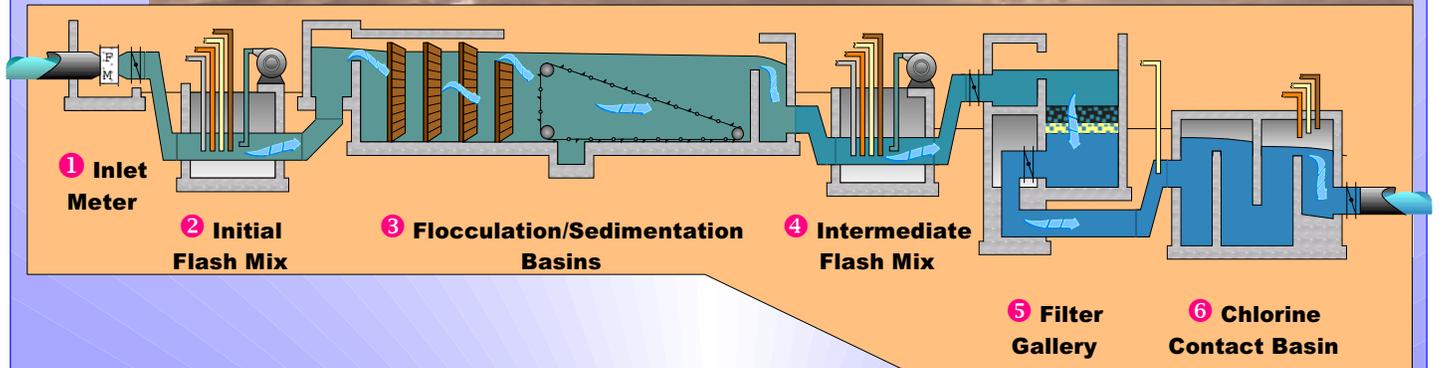
Description:	Aqua-Ammonia Liner Installation
Department:	Water Treatment Plant
Expanded Description	Based on staff observations, the liner within the aqua-ammonia tanks is likely damaged. This project will include removal of the existing liner system and installation of a new liner.
Estimated Charge – Contractor	\$25,000
Contingency (5%)	\$1,250
Subtotal without CCWA Labor	\$26,250
CCWA Labor	\$6,465
Total Cost	\$32,715
Operating Budget Impact:	Due to the corrosive nature of the chemicals in storage, the aqua-ammonia tank at the water treatment plant requires an internal liner to prevent corrosion of the tanks walls. It is important to replace compromised liners to prevent excessive corrosion. If corrosion were to occur, leakage would result and costly repairs or tank replacement would be necessary. Proactively replacing the liner will avoid emergency repairs. The cost of a non-expedited tank replacement for aqua-ammonia can range up to \$60,000.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2013/14 Budget

Description:	Lagoon Repair Project, to Install French Drain
Department:	Water Treatment Plant
Expanded Description	As part of the water treatment process, sludge is removed from the sedimentation basins and conveyed to one of three onsite lagoons. The purpose of the lagoons is to allow the sludge to separate from the carrier water, which allows recovery of the carrier water through decanting for use as part of the water supply. Due to the elevation differences between Lagoon B and C, water is seeping through the soil on a continuous basis. This is an undesirable situation because it (1) creates the potential for habitat for endangered species in an operational component of the plant, (2) ongoing seepage can cause channeling through the soil and result in higher flows and (3) Lagoon C can never dry, which impacts how the sludge is ultimately removed from the lagoon and placed into the plant's monofill. This project will involve the installation of a toe-drain and associated berm to intercept and collect the seepage and to recover it. This concept was reviewed by CCWA geotechnical engineering consultant and they concurred on the course of action.
Estimated Charge - Materials	\$35,000
Sales Tax (8%)	\$2,800
Contingency (5%)	<u>\$1,890</u>
Subtotal without CCWA Labor	\$39,690
Labor and overhead	\$8,537
Total Cost	\$48,227
Operating Budget Impact:	Lagoon C is effectively out of service and cannot be utilized for its intended purpose. This limits the capacity of the WTP's sludge removal and management system. The proposed repair will restore the sludge collection system to the original design capacity. Alternative sludge drying systems would require substantial investment to design and install. It is far more cost effective to repair the existing system.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2013/14 Budget

Description:	Chemical Tank Inspections
Department:	Water Treatment Plant
Expanded Description	Review of the operations and maintenance manuals for the existing chemical storage tanks indicates that annual internal inspections are recommended. This project will be to retain a contractor to conduct an internal chemical tank inspection and perform holiday testing on the tanks liners, where appropriate. CCWA staff will drain, clean and prepare the tanks prior to inspection.
Estimated Charge - Contractor	\$16,200
Contingency (5%)	<u>\$810</u>
Subtotal without CCWA Labor	\$17,010
Labor and overhead	\$9,482
Total Cost	\$26,492
Operating Budget Impact:	Due to the corrosive nature of the chemicals in storage, the chemical tanks at the water treatment plant have internal liners to prevent corrosion of the tanks walls. It is important to inspect the integrity of these liners to ensure that the tanks remain protected from the corrosive nature of the chemical. If corrosion were to occur, leakage would occur and costly repairs or tank replacement would be necessary. The cost of tank replacement can range up to \$100,000.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

Regional Water Treatment Plant Allocation

Instead of building a pipeline around or through Lake Cachuma to the South Coast to convey State water to the South Coast project participants, the Authority is conveying State water using the lake and existing conveyance facilities. The water is dechloraminated (de-treated) at the Santa Ynez Pumping Facility before it is discharged into the lake.

Since the South Coast project participants must “retreat” the State water that is delivered from Lake Cachuma, they would effectively be paying twice to treat the water if the Regional Water Treatment Plant Allocation agreement was not in place. Initial treatment occurs at the Polonio Pass Water Treatment Plant and retreatment occurs at the various South Coast project participants’ treatment plants.

The Regional Water Treatment Plant Allocation is a credit financed by Santa Barbara County project participants which directly receive treated State water from the Coastal Branch Extension or CCWA pipeline. The credit is applied to the South Coast project participants to cover their costs to retreat State water. In short, the purpose of this credit is to ensure that all Authority project participants pay the same cost to treat State water. The treatment plant capital and fixed and variable operating and maintenance costs are included in the Regional Water Treatment Plant Allocation calculation.

In order to properly allocate the capital cost component of the water treatment plant for those project participants that did not participate in the bond financing (Santa Maria, Golden State Water Company, and Vandenberg Air Force Base), an imputed debt service schedule has been prepared which allocates treatment plant debt service as though all Santa Barbara County participants shared in the financing in proportion to their entitlement allocation. The current budgeted capital component of the Regional Water Treatment Plant Allocation and Credit is based on a remaining principal balance of \$35,896,498 for constructing the Polonio Pass Water Treatment Plant at an interest cost of 4.24% for 15 years. These terms match the terms of the Authority’s outstanding 2006A refunding revenue bonds.

The Regional Water Treatment Plant Allocation computations also take into account the effect of the Santa Ynez Exchange Agreement on certain project participants (*see “Santa Ynez Exchange Agreement” included in this section of the Budget*).

The following tables show the calculation of the FY 2013/14 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2013/14 Budget

Project Participant	Allocated Table A ⁽¹⁾				Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retirement Charge ⁽⁵⁾		
	Table A	Exchange	Allocated	Allocated	WTP Fixed	Imputed	Total	Capital	Fixed O&M	Total	Allocated	Fixed & Capital	Cost Per AF
	Amount	Deliveries	Table A	Table A	Operating	WTP Debt	Unadjusted	Retirement	Retirement	Adjusted	Table A %	Retirement	of Allocated
				Percentage	Costs ⁽²⁾	Service Costs ⁽³⁾	Fixed & Cap.	Adjustment	Adjustment	Fixed & Capital	SB County	Adjustments	Table A Amount
Guadalupe	550		550	1.25%	\$ 38,076	\$ 41,123	\$ 79,199	\$ 52,910	\$ 48,990	\$ 101,901	1.41%	22,703	\$ 41.28
Santa Maria	16,200		16,200	36.89%	1,121,499	1,211,268	2,332,768	1,558,451	1,442,991	3,001,442	41.45%	668,712	41.28
Golden State Water	500		500	1.14%	34,614	37,385	71,999	48,100	44,537	92,637	1.28%	20,639	41.28
VAFB	5,500		5,500	12.53%	380,756	411,233	791,989	529,104	489,904	1,019,008	14.07%	227,032	41.28
Buellton	578		578	1.32%	40,014	43,217	83,231	55,604	51,485	107,088	1.48%	23,859	41.28
Santa Ynez (Solvang)	1,500		1,500	3.42%	103,843	112,154	215,997	144,301	133,610	277,911	3.84%	61,918	41.28
Santa Ynez	500	2,549	3,049	6.94%	211,077	37,385	248,462	293,316	271,585	564,901	7.80%	125,858	41.28
Goleta	4,500	(918)	3,582	8.16%	248,001	336,463	584,464	344,625	319,094	663,719	9.17%	147,874	41.28
Morehart	200	-	200	0.46%	13,846	14,954	28,800	19,240	17,815	37,055	0.51%	8,256	41.28
La Cumbre	1,000	-	1,000	2.28%	69,228	74,770	143,998	96,201	89,074	185,274	2.56%	41,279	41.28
Raytheon	50	-	50	0.11%	3,461	3,738	7,200	4,810	4,454	9,264	0.13%	2,064	41.28
Santa Barbara	3,000	(266)	2,734	6.23%	189,259	224,309	413,568	262,997	243,513	506,510	7.00%	112,849	41.28
Montecito	3,000	(956)	2,044	4.65%	141,492	224,309	365,801	196,619	182,052	378,671	5.23%	84,367	41.28
Carpinteria	2,000	(408)	1,592	3.63%	110,223	149,539	259,762	153,167	141,819	294,986	4.07%	65,722	41.28
SB County Subtotal:	39,078	1	39,079	89.00%	2,705,389	2,921,848	5,627,237	3,759,445	3,480,923	7,240,368	100.00%	1,613,131	
SLO County	4,830	-	4,830	11.00%	334,373	361,137	695,510	0	-	-		-	
TOTAL:	43,908		43,909	100.00%	\$ 3,039,762	\$ 3,282,985	\$ 6,322,747	\$ 3,759,445	\$ 3,480,923	\$ 7,240,368	100.00%	1,613,131	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	11,202	Total Adjusted Fixed & Capital Costs (SB County)	\$ 7,240,368
Total SB County Table A	39,078	Total Unadjusted Fixed & Capital Costs (SB County)	5,627,237
Subtotal:	50,280	Fixed & Capital WTP Allocation Amount	<u>\$ 1,613,131</u>
South Coast Retreated %	1.29		

Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾			
	South Coast Allocated Table A	South Coast Table A %	South Coast Fixed & Cap. Credit	Credit/AF On Allocated Table A
Guadalupe				
Santa Maria				
Golden State Water				
VAFB				
Buellton				
Santa Ynez (Solvang)				
Santa Ynez				
Goleta	3,582	31.98%	(515,864)	(144.00)
Morehart	200	1.79%	(28,800)	(144.00)
La Cumbre	1,000	8.93%	(144,001)	(144.00)
Raytheon	50	0.45%	(7,200)	(144.00)
Santa Barbara	2,734	24.40%	(393,676)	(144.00)
Montecito	2,044	18.24%	(294,316)	(144.00)
Carpinteria	1,592	14.21%	(229,273)	(144.00)
SB County Subtotal:	11,202	100.00%	(1,613,131)	
SLO County	0	0.00%	-	
TOTAL:	11,202	100.00%	(1,613,131)	

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants and plus exchange deliveries for Santa Ynez ID#1.
(2) Unadjusted Fixed Operating Costs represents the WTP fixed O&M costs allocated to all project participants in proportion to contract Table A amounts.
(3) Imputed WTP Debt Service Costs represents the cost to repay the construction costs of the WTP based on an unpaid balance of \$35,896,498 at 4.24% interest for 15 years, which corresponds to the CCWA 2006A revenue bonds.
(4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retirement Allocation Factor.
(5) Fixed and Capital Retirement Charge represents the difference between the unadjusted fixed and capital costs and the adjusted fixed and capital costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
(6) South Coast Fixed and Capital Retirement Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants and plus exchange deliveries for Santa Ynez ID#1.
(2) Unadjusted Fixed Operating Costs represents the WTP fixed O&M costs allocated to all project participants in proportion to contract Table A amounts.
(3) Imputed WTP Debt Service Costs represents the cost to repay the construction costs of the WTP based on an unpaid balance of \$35,896,498 at 4.24% interest for 15 years, which corresponds to the CCWA 2006A revenue bonds.
(4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retirement Allocation Factor.
(5) Fixed and Capital Retirement Charge represents the difference between the unadjusted fixed and capital costs and the adjusted fixed and capital costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
(6) South Coast Fixed and Capital Retirement Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2013/14 Budget
Page 2

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs				South Coast Variable Retreatment Credits				TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retreatment Adjustment	Retreatment Variable Allocation	Retreatment Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retreatment	Fixed, Capital & Variable Credits
Guadalupe	471		471	\$ 17,287	18,518	1,230	2.61					\$ 23,933	
Santa Maria	14,770		14,770	542,115	580,691	38,575	2.61					707,287	
Golden State Water	515		515	18,902	20,248	1,345	2.61					21,984	
VAFB	5,880		5,880	215,818	231,175	15,357	2.61					242,389	
Buellton	643		643	23,601	25,280	1,679	2.61					25,538	
Santa Ynez (Solvang)	1,336		1,336	49,036	52,526	3,489	2.61					65,407	
Santa Ynez	600	2,549	3,149	115,580	123,805	8,224	2.61					134,083	
Goleta	918	(918)	0	13	14	1	2.61	0	0.02%	\$ (13)	(36.71)	147,875	\$ (515,878)
Morehart	200	-	200	7,341	7,863	522	2.61	200	9.76%	(7,341)	(36.71)	8,778	(36,142)
La Cumbre	744	-	744	27,308	29,251	1,943	2.61	744	36.29%	(27,310)	(36.71)	43,222	(171,311)
Raytheon	55	-	55	2,019	2,162	144	2.61	55	2.68%	(2,019)	(36.71)	2,208	(9,219)
Santa Barbara	266	(266)	(0)	(6)	(6)	(0)	2.61	(0)	-0.01%	6	(36.71)	112,848	(393,671)
Montecito	2,007	(956)	1,051	38,570	41,314	2,745	2.61	1,051	51.26%	(38,573)	(36.71)	87,111	(332,888)
Carpinteria	408	(408)	0	6	6	0	2.61	0	0.01%	(6)	(36.71)	65,722	(229,279)
SB County Subtotal:	28,813	1	28,814	1,057,591	1,132,846	75,255	2.61	2,050	100.00%	(75,255)		1,688,386	(1,688,386)
SLO County	4,511		4,511	165,557	-			0	0.00%	-		-	-
TOTAL:	33,324	0	33,323	\$ 1,223,148	\$ 1,132,846	\$ 75,255		2,050	100.00%	\$ (75,255)		\$ 1,688,386	\$ (1,688,386)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	2,050
Total SB County Deliveries	<u>28,812</u>
Subtotal:	<u>30,862</u>

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

Santa Ynez Exchange Agreement

On January 1, 1995 the Authority purchased a five-mile long pipeline from Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1) to convey State water into Lake Cachuma for delivery to certain Santa Barbara County South Coast project participants who are also Cachuma Project members.

SYID#1 has a contract with the U.S. Bureau of Reclamation for water from the Cachuma Project and, until January 1, 1995, owned a pipeline which extends from Lake Cachuma to the Santa Ynez area. This pipeline was used to deliver water from Lake Cachuma to SYID#1.

The Authority acquired the Cachuma pipeline from SYID#1 under the Santa Ynez River/State Water Project Exchange Agreement (the “Santa Ynez Exchange Agreement”). Also, water stored at Lake Cachuma which would normally be delivered to SYID#1 is exchanged for an equal amount of State water delivered to the Santa Ynez turnout. This State water originally ordered by the South Coast project participants is exchanged with SYID#1 Cachuma Lake water.

SYID#1 pays the variable and fixed costs to treat exchanged water as well as regional water treatment plant allocations (*see “Regional Water Treatment Plant Allocation” narrative included in this section*).

The benefits of exchange are:

- SYID#1 does not have to build a treatment plant to treat its Cachuma water because it will instead receive State water.
- The South Coast project participants obtain water at a reduced cost because they are purchasing less expensive Cachuma water from SYID#1. The South Coast project participants are also reimbursed for fixed capital and variable treatment costs for the State water that is delivered to and paid for by SYID#1. Additionally the South Coast project participants do not pay for power and Warren Act charges for the exchanged State water that would otherwise be delivered to the lake.
- All the South Coast project participants’ Santa Ynez II reach capital costs are reduced because an existing pipeline was acquired to convey State water from the Santa Ynez area to the lake. Otherwise, the Authority would have had to construct an additional five miles of new pipeline at much greater expense.

Under the Santa Ynez Exchange Agreement, the South Coast project participants are required to take delivery of an amount of water that equals or exceeds SYID#1’s annual allocation of Cachuma water.

The following tables show the FY 2013/14 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2013/14 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 38,077	\$ 69	\$ -	\$ 41,123	\$ 75	\$ -	\$ -
Santa Maria	16,200		36.90%	1,121,530	69	-	1,211,268	75	-	-
Golden State Water	500		1.14%	34,615	69	-	37,385	75	-	-
VAFB	5,500		12.53%	380,766	69	-	411,233	75	-	-
Buellton	578		1.32%	40,015	69	-	43,217	75	-	-
Santa Ynez (Solvang)	1,500		3.42%	103,845	69	-	112,154	75	-	-
Santa Ynez	500	2,549	1.14%	34,615	69	176,385	37,385	75	190,498	366,883
Goleta	4,500	(918)	10.25%	311,536	69	(63,528)	336,463	75	(68,612)	(132,140)
Morehart	200	-	0.46%	13,846	69	-	14,954	75	-	-
La Cumbre	1,000	-	2.28%	69,230	69	-	74,770	75	-	-
Raytheon	50	-	0.11%	3,462	69	-	3,738	75	-	-
Santa Barbara	3,000	(266)	6.83%	207,691	69	(18,426)	224,309	75	(19,901)	(38,327)
Montecito	3,000	(956)	6.83%	207,691	69	(66,195)	224,309	75	(71,492)	(137,687)
Carpinteria	2,000	(408)	4.55%	138,461	69	(28,235)	149,539	75	(30,494)	(58,729)
SB County Subtotal:	39,078	1	89.00%	2,705,380		0	2,921,848		(0)	(0)
SLO County	4,830	-	11.00%	334,382			361,137			
TOTAL:	43,908		100.00%	\$ 3,039,762		\$ 0	\$ 3,282,985			\$ (0)

Project Participant	WTP Requested Water Deliveries			WTP Variable Exchange Modifications			Total Exchange Modifications	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit) Per Acre-Foot
Guadalupe	471		471	\$ 17,287	\$ 36.70	-	-	
Santa Maria	14,770		14,770	542,102	36.70	-	-	
Golden State Water	515		515	18,902	36.70	-	-	
VAFB	5,880		5,880	215,813	36.70	-	-	
Buellton	643		643	23,600	36.70	-	-	
Santa Ynez (Solvang)	1,336		1,336	49,035	36.70	-	-	
Santa Ynez	600	2,549	3,149	22,022	36.70	\$ 93,512	460,395	\$ 181
Goleta	918	(918)	0	33,693	36.70	(33,680)	(165,820)	\$ (181)
Morehart	200	-	200	7,341	36.70	-	-	
La Cumbre	744	-	744	27,307	36.70	-	-	
Raytheon	55	-	55	2,019	36.70	-	-	
Santa Barbara	266	(266)	(0)	9,763	36.70	(9,769)	(48,096)	\$ (181)
Montecito	2,007	(956)	1,051	73,663	36.70	(35,094)	(172,781)	\$ (181)
Carpinteria	408	(408)	0	14,975	36.70	(14,969)	(73,698)	\$ (181)
SB County Subtotal:	28,813	1	28,814	1,057,522		0		
SLO County	4,511		4,511	165,557		-		
TOTAL:	33,324	2	33,323	\$ 1,223,078		\$ 0		\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2013/14 Budget

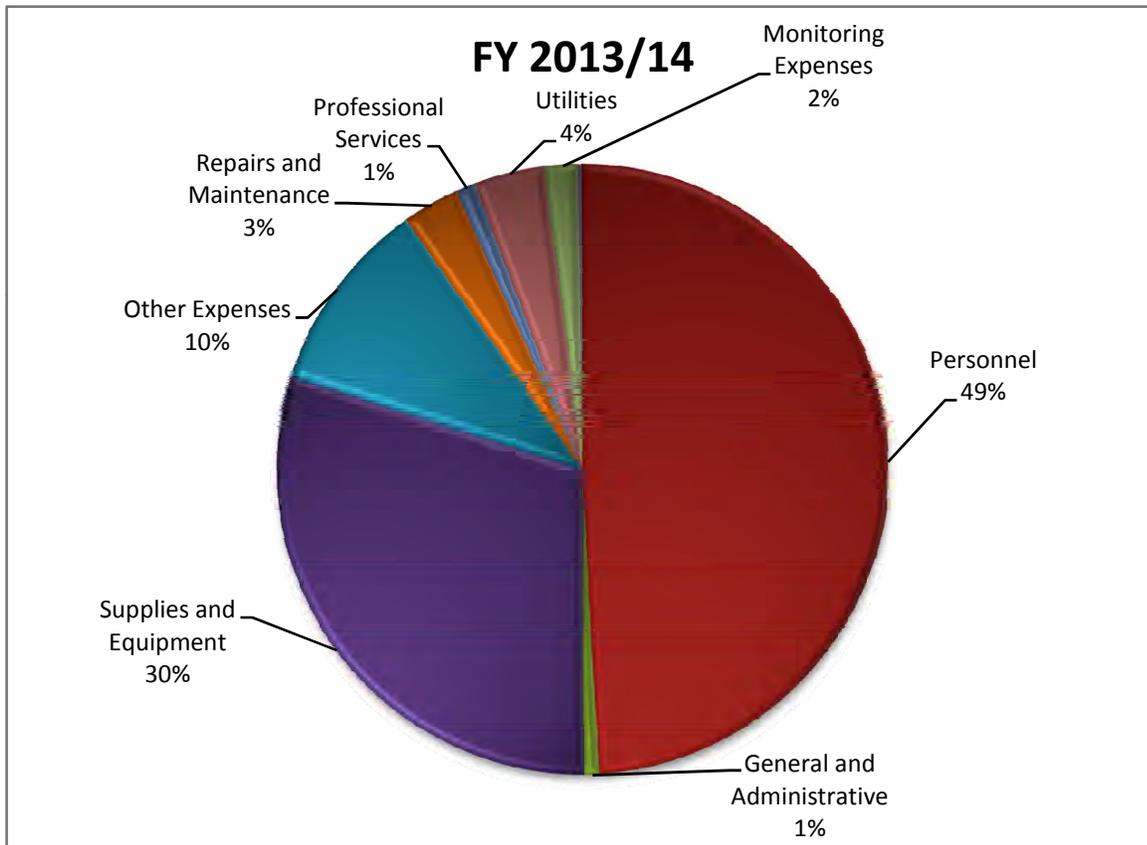
PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2011/12	Auth. FY 2012/13	Requested FY 2013/14	Over FY 2011/12	Over FY 2012/13
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Regulatory Specialist ⁽⁴⁾	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance, IC&R Techs ⁽⁵⁾	0.80	1.60	1.60	0.80	-
WTP Operators	5.00	5.00	5.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
Secretary II	0.75	0.75	0.75	-	-
TOTAL:	14.00	14.80	14.80	0.80	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2012/13 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 192,203	\$ 48,051
Deputy Director ⁽²⁾	1	N/A	N/A	N/A	\$ 134,446	\$ 47,056
WTP Supervisor	1	20	\$ 7,065	\$ 8,619	\$ 103,425	\$ 103,425
Maintenance Superintendent ⁽³⁾	1	20	\$ 7,065	\$ 8,619	\$ 103,425	\$ 62,055
Maintenance Foreman	1	16	\$ 5,727	\$ 6,987	\$ 83,840	\$ 83,840
Regulatory Specialist ⁽⁴⁾	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 23,283
Senior Chemist	1	18	\$ 6,361	\$ 7,761	\$ 83,630	\$ 83,630
Maintenance Technicians	2	14	\$ 5,155	\$ 6,289	\$ 142,897	\$ 142,897
Maintenance, IC&R Tech ⁽⁵⁾	2	15	\$ 5,434	\$ 6,629	\$ 79,548	\$ 124,017
WTP Operators	5	14	\$ 5,155	\$ 6,289	\$ 373,038	\$ 373,038
Laboratory Analyst	1	13	\$ 4,892	\$ 5,968	\$ 70,558	\$ 70,558
Secretary II	1	11	\$ 4,447	\$ 5,425	\$ 48,824	\$ 48,824
FY 2013/14 Salary Pool						\$ 55,025
Increase from Promotion						\$ 12,529
TOTAL:						\$ 1,278,228

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Deputy Director is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
(3) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).
(4) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).
(5) The two Maintenance, IC&R Techs are allocated to Water Treatment Plant (80%) and Distribution (20%).

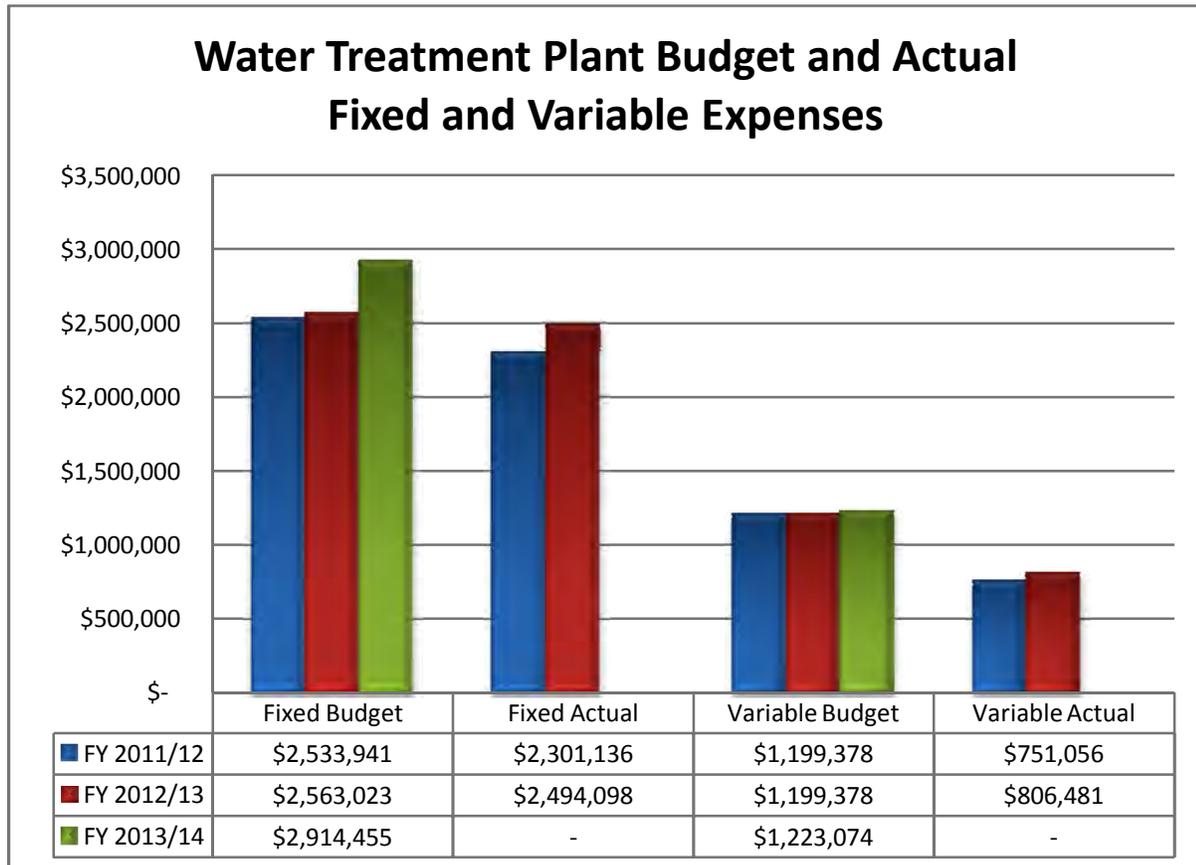
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2013/14 Budget

Item	FY 2013/14 Budget
Personnel	\$ 2,032,142
Office Expenses	6,250
Supplies and Equipment	1,243,790
Monitoring Expenses	75,305
Repairs and Maintenance	126,200
Professional Services	42,760
General and Administrative	33,200
Utilities	154,254
Other Expenses	423,629
TOTAL:	\$ 4,137,529



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2013/14 Budget

Item	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget
Personnel	\$ 1,785,244	\$ 1,674,573	\$ 1,858,126	\$ 1,869,489	\$ 2,032,142
Office Expenses	5,020	5,581	5,020	5,428	6,250
Supplies and Equipment	1,123,617	779,701	1,203,558	835,529	1,243,790
Monitoring Expenses	60,648	58,651	71,760	70,562	75,305
Repairs and Maintenance	125,450	124,587	125,450	96,854	126,200
Professional Services	37,960	33,202	41,760	35,410	42,760
General and Administrative	36,350	38,984	36,200	40,263	33,200
Utilities	175,957	130,735	152,596	123,576	154,254
Other Expenses	238,850	206,178	267,931	223,466	423,629
Total:	\$ 3,589,097	\$ 3,052,192	\$ 3,762,401	\$ 3,300,579	\$ 4,137,529



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,132,404	\$ 1,074,834	\$ 1,195,435	\$ 1,178,297	\$ 1,278,228	\$ 82,793	6.93%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	56,620	42,107	59,772	59,250	63,911	4,140	6.93%
5000.40	Standby Pay	22,104	27,224	22,922	29,321	22,959	37	0.16%
5000.50	Shift Differential Pay	13,500	14,178	14,000	14,317	16,486	2,486	17.75%
5100.10	PERS Retirement	225,347	217,930	241,054	240,926	263,351	22,296	9.25%
5100.15	Medicare Taxes	17,964	16,637	18,945	18,271	20,457	1,512	7.98%
5100.20	Health Insurance	209,057	197,304	199,188	198,964	220,134	20,946	10.52%
5100.25	Workers' Compensation	45,851	32,924	37,743	51,896	56,677	18,934	50.17%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	14,250	-	14,450	15,050	19,565	5,115	35.40%
5100.40	Cafeteria Plan Benefits	6,192	15,383	15,438	16,155	29,265	13,827	89.56%
5100.45	Dental/Vision Plan	28,930	23,047	22,902	33,972	26,160	3,258	14.23%
5100.50	Long-Term Disability	4,515	4,745	4,767	4,957	5,232	464	9.74%
5100.55	Life Insurance	4,460	5,817	5,459	5,817	5,587	128	2.34%
5100.60	Employee Physicals	450	-	450	480	450	-	0.00%
5000.30	Temporary Services	-	-	2,000	-	-	(2,000)	-100.00%
5100.80	Employee Incentive Programs	2,600	1,799	2,600	1,816	2,680	80	3.08%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
1300.60	Capitalized Employee Benefits	-	645	-	-	-	-	N/A
Total Personnel Expenses:		1,785,244	1,674,573	1,858,126	1,869,489	2,032,142	174,016	9.37%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	2,500	2,089	2,500	1,681	2,500	-	0.00%
5200.30	Miscellaneous Office Expenses	2,520	3,492	2,520	3,747	3,750	1,230	48.81%
Total Office Expenses:		5,020	5,581	5,020	5,428	6,250	1,230	24.50%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	7,500	8,626	7,755	5,965	7,755	-	0.00%
5500.15	Minor Tools and Equipment	5,000	5,527	8,800	9,323	5,000	(3,800)	-43.18%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	12	500	-	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,066,167	727,612	1,142,053	783,373	1,186,085	44,032	3.86%
5500.35	Maintenance Supplies/Hardware	10,000	10,914	10,000	8,201	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,301	5,000	6,790	5,000	-	0.00%
5500.45	Fuel and Lubricants	26,450	22,637	26,450	21,414	26,450	-	0.00%
5500.50	Seed/Erosion Control Supplies	3,000	-	3,000	462	3,000	-	0.00%
5500.55	Backflow Prevention Supplies	-	71	-	-	-	-	N/A
Total Supplies and Equipment:		1,123,617	779,701	1,203,558	835,529	1,243,790	40,232	3.34%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	45,028	47,650	53,455	60,150	57,000	3,545	6.63%
5600.20	Lab Tools and Equipment	1,000	47	-	-	-	-	N/A
5600.30	Lab Testing	14,620	10,954	18,305	10,412	18,305	-	0.00%
Total Monitoring Expenses:		60,648	58,651	71,760	70,562	75,305	3,545	4.94%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	90,000	90,658	90,000	67,555	90,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	5,000	3,682	5,000	3,067	5,000	-	0.00%
5700.30	Building Maintenance	25,450	25,962	25,450	21,807	26,200	750	2.95%
5700.40	Landscape Maintenance	5,000	4,285	5,000	4,425	5,000	-	0.00%
Total Repairs and Maintenance:		125,450	124,587	125,450	96,854	126,200	750	0.60%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	15,300	15,208	19,100	12,597	20,100	1,000	5.24%
5400.20	Legal Services	-	6,040	-	-	-	-	N/A
5400.30	Engineering Services	5,000	2,400	5,000	5,714	5,000	-	0.00%
5400.40	Permits	17,100	9,554	17,100	17,100	17,100	-	0.00%
5400.50	Non-Contractual Services	560	-	560	-	560	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		37,960	33,202	41,760	35,410	42,760	1,000	2.39%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	10,000	13,799	10,000	15,584	6,500	(3,500)	-35.00%
5300.20	Mileage Reimbursement	650	417	500	172	500	-	0.00%
5300.30	Dues and Memberships	14,200	10,798	14,200	14,200	14,200	-	0.00%
5300.40	Publications	500	1,274	500	124	500	-	0.00%
5300.50	Training	7,000	9,005	7,000	7,000	7,500	500	7.14%
5300.60	Advertising	1,500	984	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	2,500	2,707	2,500	3,184	2,500	-	0.00%
Total General and Administrative:		36,350	38,984	36,200	40,263	33,200	(3,000)	-8.29%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	6,000	6,396	6,165	2,028	8,100	1,935	31.39%
5800.30	Electric-Fixed	87,579	93,775	77,461	92,432	98,519	21,058	27.19%
5800.35	Electric-Variable	70,733	23,444	57,325	23,108	36,989	(20,336)	-35.47%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	7,500	4,328	7,500	3,104	6,500	(1,000)	-13.33%
5800.60	Waste Disposal	4,145	2,793	4,145	2,904	4,145	-	0.00%
Total Utilities:		175,957	130,735	152,596	123,576	154,254	1,657	1.09%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	72,046	70,739	73,073	73,000	79,961	6,888	9.43%
5900.30	Non-Capitalized Projects	58,062	68,422	68,501	68,501	210,980	142,479	208.00%
5900.40	Equipment Rental	13,100	10,671	13,100	17,258	17,000	3,900	29.77%
5900.50	Non-Capitalized Equipment	5,000	4,292	5,000	2,515	5,000	-	0.00%
5900.60	Computer Expenses	42,560	52,054	58,002	62,192	53,542	(4,460)	-7.69%
5900.70	Appropriated Contingency	48,082	-	50,255	-	57,146	6,891	13.71%
Total Other Expenses:		238,850	206,178	267,931	223,466	423,629	155,698	58.11%
TOTAL OPERATING EXPENSES		\$ 3,589,097	\$ 3,052,192	\$ 3,762,401	\$ 3,300,579	\$ 4,137,529	\$ 375,128	9.97%

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$55,025 for the FY 2013/14 salary pool and
promotional increases of \$12,529.

FY 13/14 Requested Budget	1,278,228
FY 12/13 Estimated Actual	1,186,135
Increase (Decrease)	92,093

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

Description: Funds for overtime expenses for
non-exempt WTP employees. Overtime is set at 5% of salaries.

FY 13/14 Requested Budget	63,911
FY 12/13 Estimated Actual	59,250
Increase (Decrease)	4,661

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

Description: CCWA employee salaries and overtime
capitalized as a component of capital projects constructed or acquired
by CCWA.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the
Water Treatment Plant Department.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 13/14 Requested Budget	22,959
FY 12/13 Estimated Actual	29,321
Increase (Decrease)	(6,361)

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on 1.88 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$2.22 per hour for Instrumentation and Control employee stand-by pay (1/3 to WTP and 2/3 to Distribution)

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

FY 13/14 Requested Budget	16,486
FY 12/13 Estimated Actual	14,317
Increase (Decrease)	2,168

Description: Funds for shift employee pay.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 13/14 Requested Budget	263,351
FY 12/13 Estimated Actual	240,926
Increase (Decrease)	22,424

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 20.81% contribution rate for FY 2013/14

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 13/14 Requested Budget	20,457
FY 12/13 Estimated Actual	18,271
Increase (Decrease)	2,186

Description: Funds for the employer portion of Medicare taxes for the WTP department. Amount is equal to 1.45% of all wages and salaries.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 13/14 Requested Budget	220,134
FY 12/13 Estimated Actual	198,964
Increase (Decrease)	21,170

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2014.
Family: \$ 20,026
Emp+1: \$ 15,405
Emp: \$ 7,702

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

FY 13/14 Requested Budget	56,677
FY 12/13 Estimated Actual	51,896
Increase (Decrease)	4,781

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 109%. Based on a 5% premium increase over FY 2012/13.

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

FY 13/14 Requested Budget	19,565
FY 12/13 Estimated Actual	15,050
Increase (Decrease)	4,515

Description: Estimates \$1,300 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

FY 13/14 Requested Budget	29,265
FY 12/13 Estimated Actual	16,155
Increase (Decrease)	13,110

Description: Funds for the portion of the cafeteria plan benefits which exceed the premium costs for the employees based on each employee's benefit election.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 13/14 Requested Budget	26,160
FY 12/13 Estimated Actual	33,972
Increase (Decrease)	(7,812)

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,156 per year per family for dental and vision expenses. Budgeted amount is \$1,862 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

FY 13/14 Requested Budget	5,232
FY 12/13 Estimated Actual	4,957
Increase (Decrease)	275

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.43 per \$100 of salary.

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

FY 13/14 Requested Budget	5,587
FY 12/13 Estimated Actual	5,817
Increase (Decrease)	(230)

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employee's annual salary to a maximum of \$100,000.

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

FY 13/14 Requested Budget	450
FY 12/13 Estimated Actual	480
Increase (Decrease)	(30)

Description: Funds for employee physicals paid by CCWA, including DOT, pre-employment, and respiratory evaluation.

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

Description: Funds for reimbursement of employee education expenses under the policy established by CCWA. Employees will be taking welding, electrical/electronics, and laboratory classes.

FY 13/14 Requested Budget	1,000
FY 12/13 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

Description: Funds to encourage employee safety through safety awards and incentive programs and the Employee Achievement Awards Program (EAAP).

Safety Program	\$	1,380
EAAP		1,300
TOTAL:	\$	2,680

FY 13/14 Requested Budget	2,680
FY 12/13 Estimated Actual	1,816
Increase (Decrease)	864

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

Description: CCWA employee benefits capitalized as a component of capital projects constructed or acquired by CCWA.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the WTP. Based on \$208 per month in office supply expenses.

FY 13/14 Requested Budget	2,500
FY 12/13 Estimated Actual	1,681
Increase (Decrease)	819

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses associated with CCWA. This includes picture developing, awards, business cards, coffee, kitchen supplies, etc., estimated at \$210 per month.

FY 13/14 Requested Budget	3,750
FY 12/13 Estimated Actual	3,747
Increase (Decrease)	3

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for WTP employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Deputy Director.

FY 13/14 Requested Budget	6,500
FY 12/13 Estimated Actual	15,584
Increase (Decrease)	(9,084)

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 13/14 Requested Budget	500
FY 12/13 Estimated Actual	172
Increase (Decrease)	328

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 13/14 Requested Budget	14,200
FY 12/13 Estimated Actual	14,200
Increase (Decrease)	-

AWWA dues	\$	200
WRF dues		10,000
Certification		800
CA Urban Water Conservation		
Council Fee	\$	3,200
	\$	14,200

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 13/14 Requested Budget	500
FY 12/13 Estimated Actual	124
Increase (Decrease)	376

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

Description: Funds for training of WTP personnel. Does not include educational reimbursement.

FY 13/14 Requested Budget	7,500
FY 12/13 Estimated Actual	7,000
Increase (Decrease)	500

\$	7,500	\$500 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

Description: Funds for advertising expenses for the WTP including open job position advertising.

FY 13/14 Requested Budget	1,500
FY 12/13 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses for the WTP, including 16 weekly taste and odor samplings.

FY 13/14 Requested Budget	2,500
FY 12/13 Estimated Actual	3,184
Increase (Decrease)	(684)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: <u>5400.10</u>	ACCOUNT TITLE: <u>Professional Services</u>
	Description: <u>Outside professional services including:</u>
	\$ 1,000 Cathodic protection
	4,000 Fire system/extinguisher inspection
	5,400 Security
	2,300 Crane inspection
	700 Oil analysis
	500 Miscellaneous
	3,200 Emergency generator/forklift service
	3,000 Equipment Calibration
	\$ 20,100 TOTAL

FY 13/14 Requested Budget	20,100
FY 12/13 Estimated Actual	12,597
Increase (Decrease)	7,503

ACCOUNT NUMBER: <u>5400.20</u>	ACCOUNT TITLE: <u>Legal Services</u>
	Description: <u>Not funded for this fiscal year.</u>

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: <u>5400.30</u>	ACCOUNT TITLE: <u>Engineering Services</u>
	Description: <u>Funds for all non-capitalized engineering services and small projects.</u>

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	5,714
Increase (Decrease)	(714)

ACCOUNT NUMBER: <u>5400.40</u>	ACCOUNT TITLE: <u>Permits</u>
	Description: <u>Funds for all required permits for the WTP including the California Department of Health.</u>

FY 13/14 Requested Budget	17,100
FY 12/13 Estimated Actual	17,100
Increase (Decrease)	-

\$	12,000	Drinking Water Program
	2,000	DHS Lab Accreditation
	1,400	Emergency Generator Permit
	1,700	Hazardous Materials Fees
\$	17,100	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 13/14 Requested Budget	560
FY 12/13 Estimated Actual	-
Increase (Decrease)	560

\$ 560 Employee Assistance Program

\$ 560 TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

Description: Funds for employer provided uniforms including reimbursement of uniform expenses to employees.

FY 13/14 Requested Budget	7,755
FY 12/13 Estimated Actual	5,965
Increase (Decrease)	1,790

\$ 4,830 Uniform Service (\$403 per month)

1,350 Blue jean pants (\$150/yr emp allowance)

1,575 Boots (\$175/yr employee allowance)

- Misc. uniform requirements (jackets, etc.)

\$ 7,755 TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

Description: Funds for the purchase of minor tools and equipment.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	9,323
Increase (Decrease)	(4,323)

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Funds for maintaining spare parts inventory and to replace failing minor equipment.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

Description: Funds for the purchase of supplies for landscape maintenance at the WTP.

FY 13/14 Requested Budget	500
FY 12/13 Estimated Actual	-
Increase (Decrease)	500

\$ 500 Herbicide

\$ 500 TOTAL

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

Description: Funds for the purchase of chemicals to operate the plant including chlorine, polymers, etc.

FY 13/14 Requested Budget	1,186,085
FY 12/13 Estimated Actual	783,373
Increase (Decrease)	402,712

(1) WTP Plant: \$35.03 per acre foot and 33,324 acre feet of requests
 (2) Santa Ynez Pumping Station: \$3.70/af for 2,050 AF pumped water
 (3) Tank 5 and 7 Chlorination at \$1.86/af for 12,006 AF @ 50%

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 13/14 Requested Budget	10,000
FY 12/13 Estimated Actual	8,201
Increase (Decrease)	1,799

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	6,790
Increase (Decrease)	(1,790)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

Description: Funds for reseeding, replanting and erosion control supplies.

FY 13/14 Requested Budget	3,000
FY 12/13 Estimated Actual	462
Increase (Decrease)	2,538

\$	3,000	Erosion maintenance
\$	3,000	TOTAL

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for WTP vehicles, equipment and emergency generator. Does not include mileage reimbursement expenses.

FY 13/14 Requested Budget	26,450
FY 12/13 Estimated Actual	21,414
Increase (Decrease)	5,036

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

Description: Funds for the purchase of laboratory supplies including chemicals.

FY 13/14 Requested Budget	57,000
FY 12/13 Estimated Actual	60,150
Increase (Decrease)	(3,150)

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

Description: Funds for the purchase of non-capitalized tools and equipment for the laboratory.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 13/14 Requested Budget	18,305
FY 12/13 Estimated Actual	10,412
Increase (Decrease)	7,893

\$	4,320	MIB Monitoring
	7,330	Annual Compliance Monitoring
	530	Monthly Compliance Monitoring
	3,850	DBP
	1,800	Cryptosporidium and Giardia
	475	DI Water Testing
\$	18,305	TOTAL

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of WTP equipment including pumps, motors, valves, instrumentation, equipment, etc.

FY 13/14 Requested Budget	90,000
FY 12/13 Estimated Actual	67,555
Increase (Decrease)	22,445

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of WTP vehicles.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	3,067
Increase (Decrease)	1,933

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the WTP buildings.

FY 13/14 Requested Budget	26,200
FY 12/13 Estimated Actual	21,807
Increase (Decrease)	4,393

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	15,100	Janitorial service
	3,000	HVAC
	3,900	Janitorial Supplies
\$	26,200	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the WTP facility landscape. Includes weed abatement for sludge lagoons and leachfield.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	4,425
Increase (Decrease)	575

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service to the WTP.

FY 13/14 Requested Budget	8,100
FY 12/13 Estimated Actual	2,028
Increase (Decrease)	6,072

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 13/14 Requested Budget	98,519
FY 12/13 Estimated Actual	92,432
Increase (Decrease)	6,087

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP. Variable electrical costs.

FY 13/14 Requested Budget	36,989
FY 12/13 Estimated Actual	23,108
Increase (Decrease)	13,881

	\$1.11	\$/AF
	33,324	AF
\$	36,989	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to the WTP.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

Description: Funds for WTP phones including long distance, pagers and cellular phone bills.

FY 13/14 Requested Budget	6,500
FY 12/13 Estimated Actual	3,104
Increase (Decrease)	3,396

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

Description: Funds for trash service and removal of hazardous waste for the WTP.

FY 13/14 Requested Budget	4,145
FY 12/13 Estimated Actual	2,904
Increase (Decrease)	1,241

\$	2,415	Garbage
	630	Bulk Dumpster
	1,000	Waste Oil/Solvent
	100	Light Bulbs
\$	4,145	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 13/14 Requested Budget	79,961
FY 12/13 Estimated Actual	73,000
Increase (Decrease)	6,961

\$	39,876	Property and auto coverage based on the apportionment provided by JPIA.
\$	40,085	General liability and E&O based on salary proportions.
\$	79,961	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects around the WTP which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria.

See the detailed description of the WTP Non-Capitalized Projects in this section of the Budget.

FY 13/14 Requested Budget	210,980
FY 12/13 Estimated Actual	68,501
Increase (Decrease)	142,479

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 13/14 Requested Budget	17,000
FY 12/13 Estimated Actual	17,258
Increase (Decrease)	(258)

\$	3,900	Copier lease
	10,100	Motorize equipment
	3,000	Lagoon cleaning
\$	17,000	TOTAL

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized equipment. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	2,515
Increase (Decrease)	2,485

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

Description: Funds for computer expenses including minor software purchases, minor equipment purchases and service contracts.

FY 13/14 Requested Budget	53,542
FY 12/13 Estimated Actual	62,192
Increase (Decrease)	(8,650)

\$	45,042	CompuVision, Annual Service Agreements and Software Subscriptions
\$	8,500	Software, New Computers and other computer services.
\$	53,542	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget excluding
chemical and variable electric costs.

FY 13/14 Requested Budget	57,146
FY 12/13 Estimated Actual	-
Increase (Decrease)	57,146



Vandenberg Turnout Replacement Project - November 2012

Distribution Department

The Distribution Department is responsible for the daily operations and maintenance of the 130 miles of pipeline, five storage tanks, ten turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access and cathodic protection structures.

Highlights

Department Information

- Number of employees 10.20
- Authority pipeline (in miles) 42
- Coastal Branch Phase II pipeline (in miles) 101
- Number of water storage tanks 7
- Number of turnouts 10

Budget Information

- Total FY 2013/14 O&M Budget \$ 2,213,107
- O&M Budget increase over FY 2012/13 \$ 112,717
 - Fixed cost increase over FY 2012/13 \$ 5,794
 - Variable cost increase over FY 2012/13 \$ 106,921
- Percentage increase 5.37%
- Fixed O&M expenses \$ 2,023,673
- Variable O&M expenses \$ 189,434
- FY 2012/13 budgeted electrical cost \$92.44 per acre-foot

Significant Accomplishments During FY 2012/13

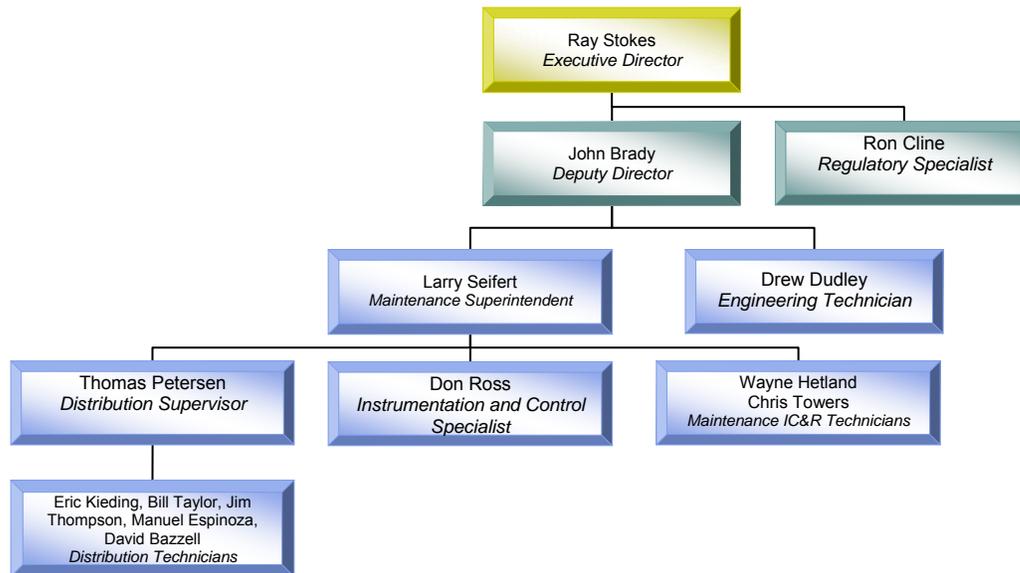
- The Distribution, Instrumentation and Engineering staff cost effectively implemented a temperature monitoring program for the outlet works of Bradbury Dam. CCWA staff developed the monitoring strategy, facilitated discussion among the various stakeholder agencies to gain concurrence, completed the field work to install the required system and utilized the monitoring system during delivery operations.
- The Distribution, Instrumentation and Engineering staff reduced the costs for implementing the new SCADA System by approximately 50%, as compared to the costs obtained through a competitively bid turnkey approach. Cost savings were achieved through utilizing CCWA staff for integration work with an experienced integration consultant, and directly procuring software and hardware.

Significant Goals for FY 2013/14

- Implement the expanded cathodic protection system monitoring program through completing a close interval survey of the pipeline. Continue to implement the internal cathodic protection system monitoring through weekly water quality sampling for carbonate saturation indices as well as conduct more detailed internal pipeline inspections, with associated documentation.
- Implement the in-house asphalt pavement inspection and repair program. Staff will complete annual pavement assessment inspections, prioritize locations for crack sealing and surface conditioning such as fog or slurry seals.

Central Coast Water Authority
Distribution Department
Fiscal Year 2013/14 Budget

The Distribution Department is responsible for maintaining the distribution system (i.e., pipeline and ancillary facilities).



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist and Maintenance IC&R Technicians

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, dechloramination and disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain five storage tanks, nine turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

The IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technicians report to the Maintenance Superintendent and maintain all distribution electrical, electronic, fiber optic and instrumentation systems. They also assist the Maintenance Superintendent in maintaining plant electrical, electronic and fiber optic systems.

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Deputy Director, who provide long term planning and establish priorities.

Central Coast Water Authority
Distribution Department
Fiscal Year 2013/14 Budget

The Regulatory Specialist reports to the Executive Director and divides time between Distribution and Water Treatment Plant Departments. The Regulatory Specialist is responsible for safety, environmental monitoring, and regulatory compliance.

The following pages list the 2012 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2013 goals for the Distribution Department.

2012 ACCOMPLISHMENTS AND 2013 GOALS

Engineering

- Goal** Complete the Phase II SCADA Upgrade Project with the selected SCADA Integration Firm in order to complete the project prior to the end of 2012. [10/12]
- Status** The project is substantially complete.
- Goal** Implement Phase IV of the CCWA Geographical Information System (GIS) project. The results of internal pipeline inspection, valve exercise program and CTS monitoring data will be incorporated into the GIS system. [6/12]
- Status** Reach SYII has been added to the CCWA GIS System. Work continues on incorporating inspection, valve exercise and CTS records.
- Goal** Coordinate the design, permitting and construction of the selected repair strategy for the river erosion damage to the pipeline in Reach SYII. Also, ensure that the Prop 84 grant funding for the project is properly managed as required. [throughout 2012]
- Status** The design is complete and all environmental permits have been secured. The project will go out to Bid in January 2013. In addition, the first invoice for Prop 84 grant funds has been submitted in November 2013.
- Goal** Develop data interpretation techniques to understand the significance of the DWR MIB monitoring data along the conveyance system. [7/12]
- Status** Staff have developed a blending calculation spreadsheet to account for the blending of different water sources within the O’Neil Forebay.
- Goal** Develop a refined travel time estimation protocol for flow from the Delta to the treatment plant. [7/12]

Central Coast Water Authority
Distribution Department
Fiscal Year 2013/14 Budget

Status Staff have developed a spreadsheet to assist with estimating travel time from Check 13 to the Polonio Pass Water Treatment Plant

Goal Implement plan to address the side slope leakage from Lagoons A and B into Lagoon C at the Water Treatment Plant. [7/12]

Status Procurement of the services of a geotechnical firm is underway to study the seepage conditions and to identify potential repair options, along with associated budgetary cost estimates.

Goal Implement annual water loss evaluation for the pipeline operation, consistent with the Best Management Practices described in the CCWA Urban Water Management Plan. [12/12]

Status An annual water loss study has been implemented. It includes (1) hydrostatic testing during the annual shutdown, (2) inventory reconciliation on a month by month and annual basis, (3) right-of-way inspections and (4) internal pipeline inspections.

Goal Finalize the distribution water quality monitoring plan and submit to DPH. [4/12]

Status A draft plan is complete and is currently under internal review.

Goal Continue development of five- and twenty-year Capital Improvement programs. [12/12]

Status Ongoing.

Environmental and Safety

Goal Review & Update all Safety Procedures. [throughout 2012]

Status Ongoing.

Goal Schedule Cal/OSHA Consultation Inspection. [8/12]

Status Delayed to 5/13.

Goal Work as needed on SYII pipeline repair project. [throughout 2012]

Status On-going. Permits submitted 6/2012. All Permits received 12/12.

Goal Complete 3 Year Audit & Review of WTP RMP. [6/12]

Status Completed 6/2012.

Central Coast Water Authority
Distribution Department
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Goal Work to Finalize HCP. [throughout 2012]

Status Work continues with DFG & F&S.

Goal Complete DFG 2081 permit for SB Co. CTS [throughout 2012]

Status 2081 Submitted to DFG (6/2012). Document ready for Board Approval - 1/2013.

Central Coast Water Authority
Distribution Department
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2013 GOALS

Engineering

Coordinate the continued development of the CCWA network. The development of the network will include the upgrade of the Fiber Optic Network to provide a for Security Cameras, SCADA and Administrative functions. In addition, the operating systems for various Servers and controllers will be upgraded. [12/13]

Coordinate the implementation of the new Laboratory Information Management System (LIMS). [7/13]

Continue implementation of Phase IV of the CCWA Geographical Information System (GIS) Project. [12/13]

Refurbish the Gas Chromatograph Instrument in the laboratory. [10/13]

Complete construction of the SYII Pipeline Repair Project and coordinate all Prop 84 Grant invoicing to recovers costs. [7/13]

Coordinate engineering studies for (1) the geotechnical investigation of Lagoon C at the Water Treatment Plant to address the side slope seepage issue, (2) concrete repair of the damaged Tank 5 and 7 columns, (3) the repair strategy for the coupling at Isolation Vault #2. [4/13]

Coordinate the design and construction work for the Shandon Turnout. Solicit input from both DWR and San Luis Obispo County.[12/13]

Continue development of five- and twenty-year Capital Improvement programs. [12/13]

Environmental and Safety

Update CCWA Hazard Communication Program to reflect new OSHA Global Harmonized Standard. [7/13]

Schedule Cal/OSHA Consultation Inspection for WTP. [5/13]

Monitor/Maintain R.O.W. Vegetation & Oaks + AGMS. [Throughout 2013]

Work as needed on SYII pipeline repair projects and undertake required mitigation as required by regulatory agencies. [Throughout 2013]

Process Safety Review by Risk Management Professionals. [1/13]

Coordinate work with Cardno-Entrix, DFG and F&W Service to finalize HCP. [Throughout 2013]

Update CCWA Hazard Communication Program to reflect new OSHA Global Harmonized Standard. [7/13]

Central Coast Water Authority
Distribution Department
Fiscal Year 2013/14 Budget

DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

The distribution system for the State water facilities is divided into segments called “Financial Reaches.” These financial reaches are the portions of the pipeline through which the project participants receive and pay for water in accordance with their Water Supply Agreements.

Participation in each financial reach is based on the location of a particular project participant’s turnout. Each participant pays for its share of the Coastal Branch and Authority financial reaches down to the financial reach from which that participant takes delivery of water. For example, South Coast project participants pay for their share of all financial reaches since they take delivery from the terminus of the Authority pipeline.

The financial reaches for the distribution system include Authority reaches and DWR reaches. The facilities owned by the Authority are considered Authority reaches and those owned by DWR are considered DWR reaches.

The Distribution Department is responsible for maintaining both the Authority and the DWR reaches downstream of the Polonio Pass Water Treatment Plant.

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Fiscal Year 2013/14 Budget

The following is a list of the various financial reaches including the facilities and/or landmarks located in each reach.

DWR REACHES

- Reach 33B Tank 1 through the Chorro Valley turnout
- Reach 34 Chorro Valley turnout through the Lopez turnout
- Reach 35 Lopez turnout through the Guadalupe turnout
- Reach 36 Deleted
- Reach 37 Guadalupe turnout to Southern Pacific Railroad crossing near Casmalia
- Reach 38 Southern Pacific Railroad crossing near Casmalia through Tank 5

CCWA (Authority) REACHES

- Mission Hills Tank 5 to La Purisima Road
- Santa Ynez I La Purisima Road to the Santa Ynez Pumping Facility
- Santa Ynez II Santa Ynez Pumping Facility to Lake Cachuma

The table and map on page 185 shows the participation by project participant, by financial reach and the corresponding percentage share of the operating costs for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

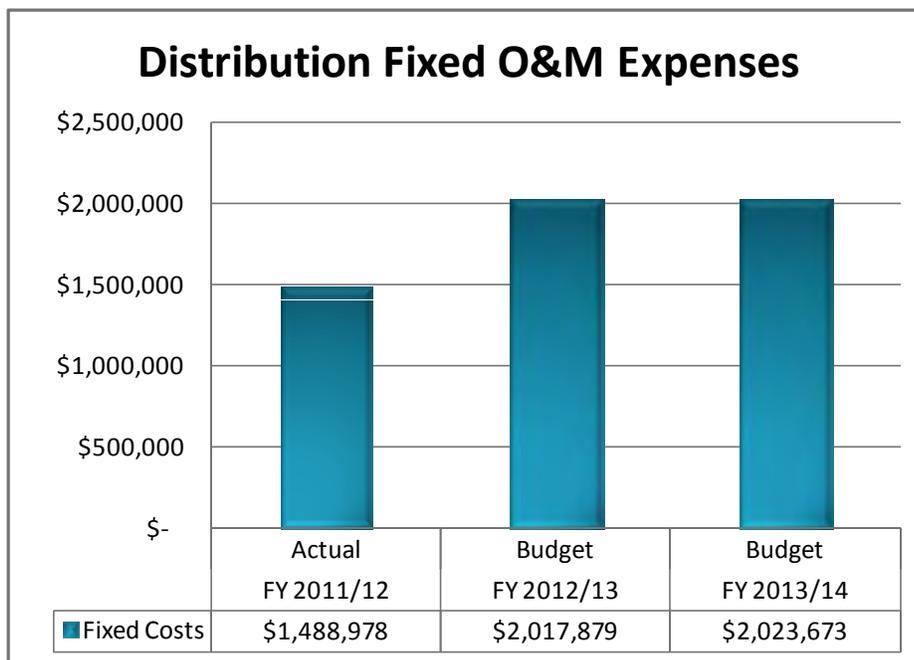
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2011/12 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2013/14 Budget

Distribution Department Financial Reach Allocation			
Financial Reach	FY 2013/14 Allocation Percentage	FY 2012/13 Allocation Percentage	Increase (Decrease)
Reach 33B	25.22%	25.19%	0.02%
Reach 34	11.42%	11.26%	0.16%
Reach 35	4.48%	4.45%	0.03%
Reach 37	3.76%	3.38%	0.38%
Reach 38	4.44%	3.74%	0.70%
Mission Hills II	13.63%	14.20%	-0.57%
Santa Ynez I	17.83%	15.84%	1.99%
Santa Ynez II	19.23%	21.95%	-2.71%
TOTAL:	100.00%	100.00%	0.00%

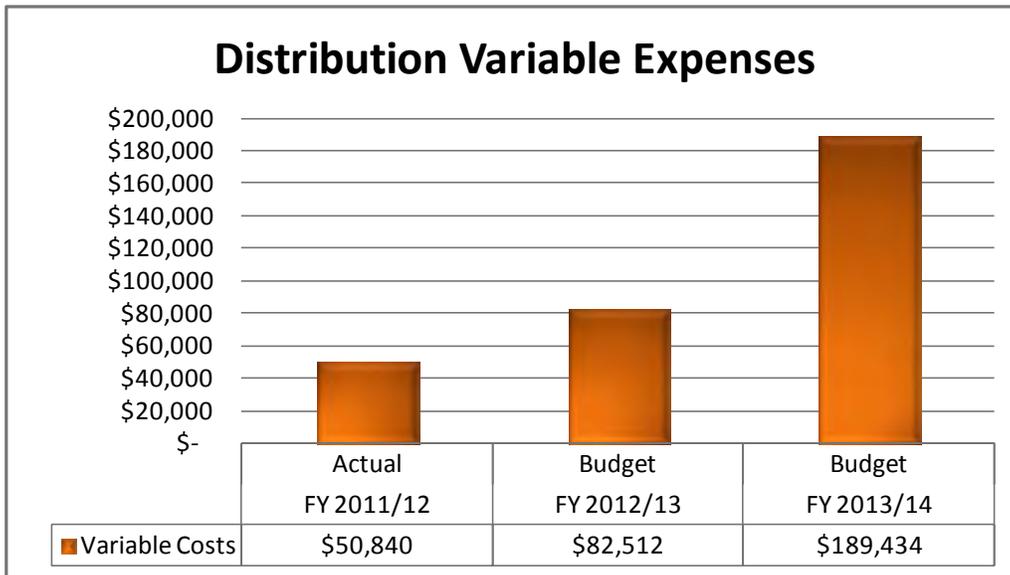
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses. As the graph shows, the FY 2013/14 fixed O&M costs are \$5,794 lower than the prior year budget amount.



Central Coast Water Authority
Distribution Department
 Fiscal Year 2013/14 Budget

Variable O&M Costs are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs. As the graph shows, the FY 2013/14 variable O&M costs are \$106,922 higher than the prior year budget amounts.



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2013/14 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$92.44/AF
Goleta	0	\$ 0
Morehart	200	18,489
La Cumbre	744	68,778
Raytheon	55	5,084
Santa Barbara	(0)	-
Montecito	1,051	97,065
Carpinteria	0	0
Total South Coast:	2,050	\$ 189,323
<small>(1) Excludes water deliveries exchanged with Santa Ynez ID#1.</small>		

Central Coast Water Authority
Distribution Department
Fiscal Year 2013/14 Budget

Fiscal Year 2013/14 Operating Expense Budget

The Fiscal Year 2013/14 Distribution Department operating expense budget is \$2,213,107, which is \$112,717 higher than the previous year's budget of \$2,100,391, an increase of 5.37%. The personnel expense section of the Distribution Department budget represents approximately 67% of the budget. Utilities comprise 11%, with other expenses making up the balance of the budget. The chart on page 186 shows percentage of the various components of the Distribution Department operating expense budget. Variable O&M costs are included in the supplies and equipment and utilities categories.

Personnel Expenses Personnel expenses are increasing by about \$27,000 attributed to the following:

- Salary pool for FY 2013/14 of \$38,453 coupled with additional salary increases of \$13,415 for those positions approved as part of the CCWA Board approved succession plan.
- Reallocation of the Maintenance, Calibration and Repair Technician position with 80% allocated to the Water Treatment Plant Department and 20% allocated to the Distribution Department.
- \$23,961 increase in health insurance and cafeteria plan benefits due to a 16% increase in health insurance premiums for calendar year 2013.
- Workers' compensation insurance premiums are about \$11,000 higher than the prior year amount due to an increase in the experience modification factor from .77% for FY 2011/12 to 1.09% for FY 2012/13.

Utility Expenses Utility expenses are increasing by about \$109,000 attributed to an increase in the estimated electrical cost per acre-foot of delivering water into Lake Cachuma from \$82.76/AF in FY 2012/13 compared to \$92.44/AF for FY 2013/14 coupled with a 1,051 increase in water deliveries to Lake Cachuma.

Central Coast Water Authority
Distribution Department
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Turnout Expenses Turnout expenses include funds for utility expenses at each turnout, equipment repairs and maintenance, and non-capitalized projects.

The following table shows the FY 2013/14 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES								
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects ⁽¹⁾	TOTAL	
Guadalupe	\$ 476	\$ 1,000	\$ -	\$ 500	\$ 1,976	\$ -	\$ 1,976	
Santa Maria	483	1,500	-	500	2,483		2,483	
Golden State Water Co.	623	3,000	-	500	4,123		4,123	
Vandenberg Air Force Base	-	1,500	-	500	2,000		2,000	
Buellton	274	1,500	-	500	2,274		2,274	
Santa Ynez (Solvang)	200	1,000	-	500	1,700		1,700	
Santa Ynez	-	1,000	-	500	1,500		1,500	
Chorro Valley	-	1,500	900	500	2,900		2,900	
Lopez	463	1,500	-	500	2,463		2,463	
TOTAL:	\$ 2,519	\$ 13,500	\$ 900	\$ 4,500	\$ 21,419	\$ -	\$ 21,419	

(1) Please see the CIP section of the budget for information regarding the Turnout capital projects.

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the distribution system which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2013/14.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2013/14 Budget

Non-Capitalized Projects-Reach Specific		
Project Description	Financial Reach	Amount
Tank Inspection - Phase 3	33B	5,250
Fiber Optic Cable Repair Trailer	ALL	6,237
Server Operating System Upgrade ⁽¹⁾	ALL	12,145
Storage Area Network (SAN) Expansion ⁽¹⁾	ALL	2,905
Network Switch Replacement ⁽¹⁾	ALL	10,500
TOTAL NON-CAPITALIZED PROJECTS		\$ 37,037
<p><small>(1) Please see the Administration Department section of this budget for narrative discussions on these non-capitalized projects.</small></p>		

Description:	Tank Inspection – Phase 3
Department:	Distribution – Reach 33B
Expanded Description	The American Water Works Association recommends that distribution tanks be inspected once every five years. It has been over five years since the last tank inspection. CCWA staff recommends implementing the tank inspection program in three phases. This is the third of a three phase project and will include inspection of the Tank 2.
Estimated Charge - Contractor	\$5,000
Contingency (5%)	\$250
Subtotal without CCWA Labor	\$5,250
Labor and overhead	\$803
Total Cost	\$6,053
Operating Budget Impact:	Tank inspections and cleaning are an important element of distribution system maintenance. Tanks that are not routinely inspected and cleaned can create biological contamination issues, including nitrification. Proper inspection and cleaning can prevent the added costs of responding to biological contamination or nitrification events. Phasing the tank inspection program over a three year period will also

Central Coast Water Authority
Distribution Department
 Fiscal Year 2013/14 Budget

Description:	Fiber Optic Cable Repair Trailer
Department:	Distribution- All
Expanded Description	CCWA has the capability to repair the fiber optic cable (FOC) should it become severed. During the most recent repair incident, it was found that the field repair was hampered by dust, despite tenting the repair zone. To resolve this issue, a trailer will be purchased so that the FOC repair can be completed in a highly controlled environment.
Estimated Charge – Materials	\$5,500
Tax (8.0%)	\$440
Contingency (5%)	\$297
Subtotal without CCWA Labor	\$6,237
CCWA Labor	\$803
Total Cost	\$7,040
Operating Budget Impact:	The ability to immediately repair the FOC serves the mission of CCWA, which is to provide a reliable source of water supply. With the current equipment, the required quality of repair for the FOC is difficult to attain. In the most recent repair incident, a crew of three CCWA staff had to wait for all wind to subside in the late evening hours before an effective repair could be achieved. By having the ability to provide a controlled environment, this crew would have been able to complete the repair in a much shorter timeframe and within normal working hours.

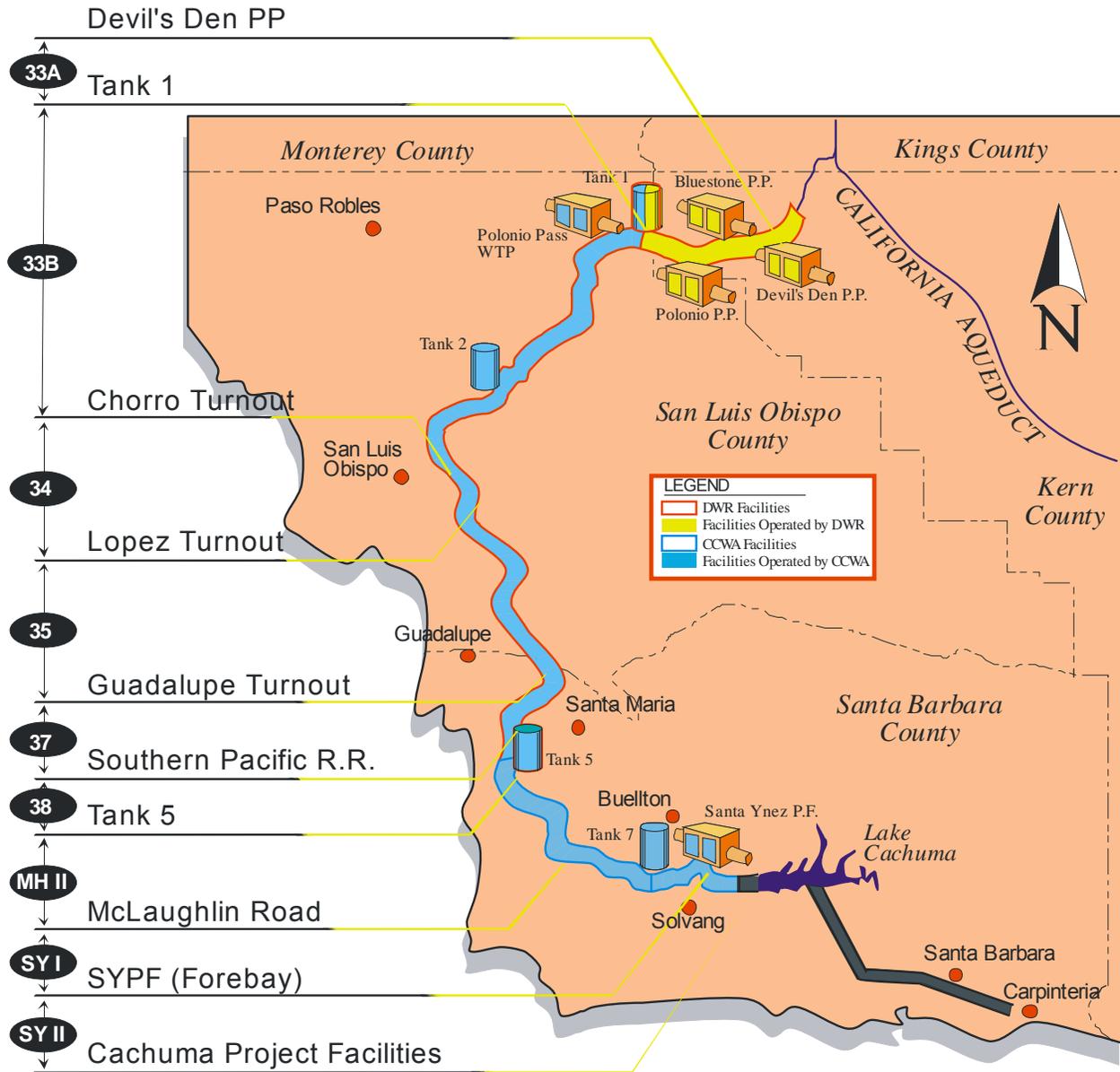
Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2013/14 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2011/12	Number Auth. FY 2012/13	Number Requested FY 2013/14	Change Over FY 2011/12	Change Over FY 2012/13
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director ⁽²⁾	0.40	0.40	0.40	-	-
Regulatory Specialist ⁽³⁾	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Tehcnicians ⁽⁵⁾	0.20	0.40	0.40	0.20	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.00	10.20	10.20	0.20	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2012/13 Total Annual Salary	Allocation to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 192,203	\$ 48,051
Deputy Director ⁽²⁾	1	N/A	N/A	N/A	\$ 134,446	\$ 53,778
Regulatory Specialist ⁽³⁾	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 69,848
Distribution Supervisor	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 93,130
Engineering Technician	1	16	\$ 5,727	\$ 6,987	\$ 81,589	\$ 81,589
Instrumentation & Control Specialist	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 93,130
Maintenance Superintendent ⁽⁴⁾	1	20	\$ 7,065	\$ 8,619	\$ 103,425	\$ 41,370
Maintenance/IC&R Tehcnician ⁽⁵⁾	2	15	\$ 5,434	\$ 6,629	\$ 155,021	\$ 31,004
Distribution Technicians	5	14	\$ 5,155	\$ 6,289	\$ 369,524	\$ 369,524
FY 2013/14 Salary Pool						\$ 38,453
Increase from Promotions						\$ 13,415
TOTAL:						\$ 933,292

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Operations Manager is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
(3) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).
(4) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).
(5) The two Maintenance IC&R Technicians are allocated to Water Treatment Plant (80%) and Distribution (20%).

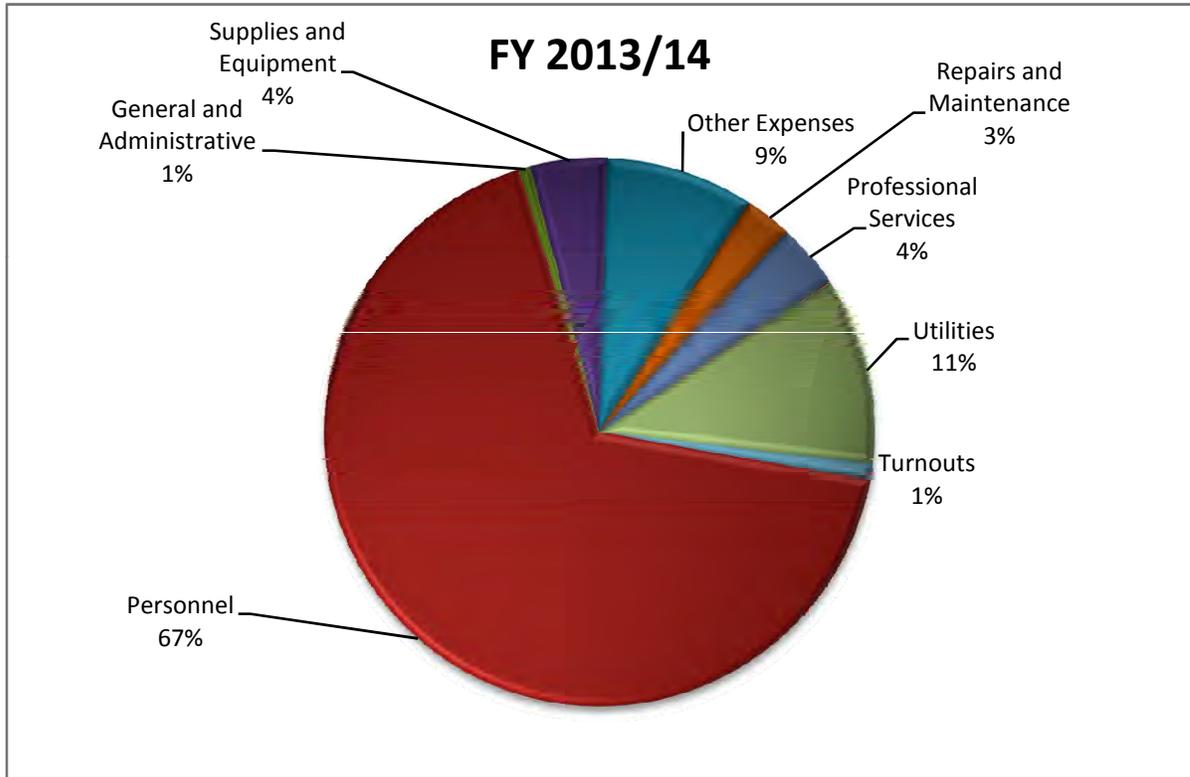
COASTAL BRANCH FINANCIAL REACHES



Purveyor	CONTRACT ENTITLEMENT IN FINANCIAL REACHES								
	WTP / 33B	34	35	37	38	MH II	SY I	SY II	
Shandon	100								
Chorro Valley	2,338								
Lopez	2,392	2,392							
Guadalupe	550	550	550						
Santa Maria	16,200	16,200	16,200	16,200					
Golden State Water	500	500	500	500					
Vandenberg AFB	5,500	5,500	5,500	5,500	5,500	5,500			
Buellton	578	578	578	578	578	578	578		
Santa Ynez (Solvang)	1,500	1,500	1,500	1,500	1,500	1,500	1,500		
Santa Ynez	500	500	500	500	500	500	500		
Goleta	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	
Morehart Land	200	200	200	200	200	200	200	200	
LaCumbre	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Raytheon	50	50	50	50	50	50	50	50	
Santa Barbara	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Montecito	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
TOTAL	43,908 AF	41,470 AF	39,078 AF	38,528 AF	21,828 AF	21,828 AF	16,328 AF	13,750 AF	

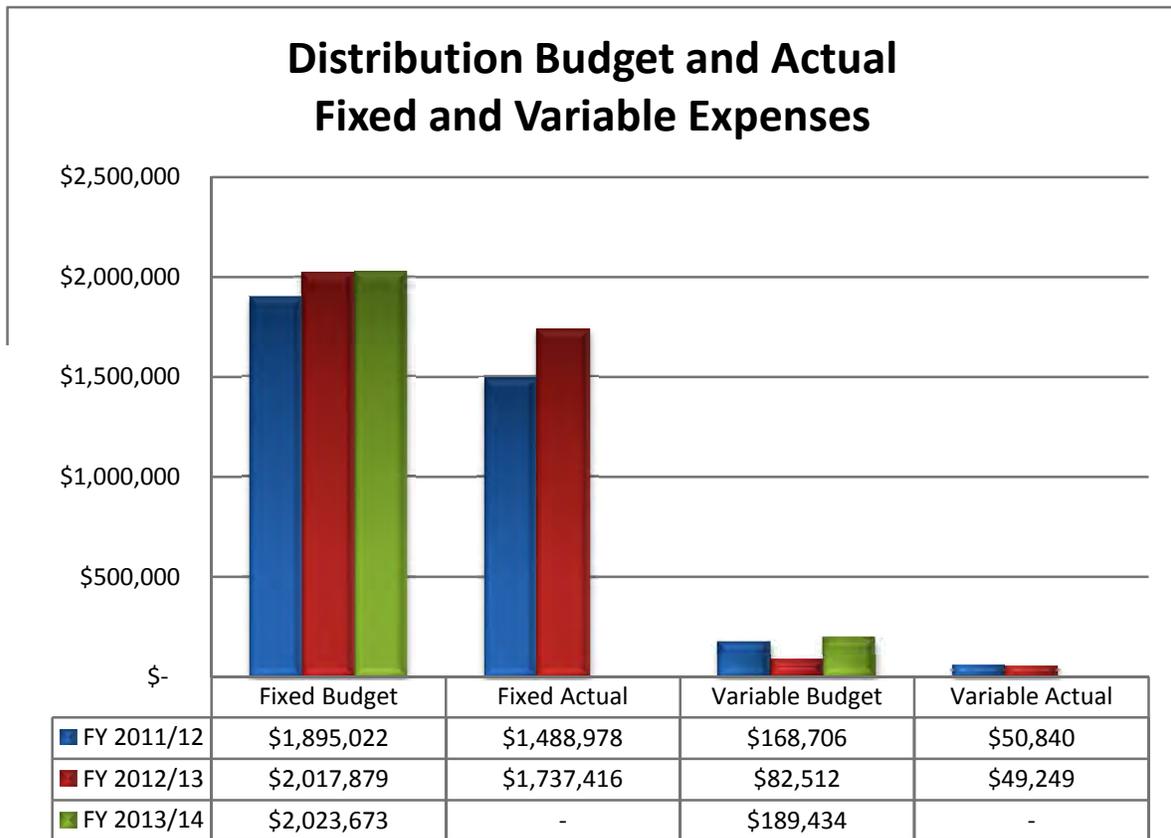
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2013/14 Budget

Item	FY 2013/14 Budget
Personnel	\$ 1,493,828
Office Expenses	2,100
Supplies and Equipment	99,527
Monitoring Expenses	-
Repairs and Maintenance	61,200
Professional Services	83,125
General and Administrative	15,900
Utilities	242,196
Other Expenses	193,813
Turnouts	21,419
TOTAL:	\$ 2,213,107



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2013/14 Budget

Item	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget
Personnel	\$ 1,341,210	\$ 1,103,883	\$ 1,467,032	\$ 1,285,216	\$ 1,493,828
Office Expenses	1,800	2,281	1,800	1,424	2,100
Supplies and Equipment	94,945	74,290	95,627	81,327	99,527
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	56,200	53,459	61,200	47,054	61,200
Professional Services	76,350	33,169	82,925	70,015	83,125
General and Administrative	18,250	25,463	18,900	20,203	15,900
Utilities	234,176	94,265	133,491	92,068	242,196
Other Expenses	213,822	102,772	200,209	162,269	193,813
Turnouts	26,974	50,236	39,207	27,089	21,419
TOTAL:	\$ 2,063,728	\$ 1,539,818	\$ 2,100,391	\$ 1,786,665	\$ 2,213,107



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 855,963	\$ 719,054	\$ 950,893	\$ 821,913	\$ 933,292	\$ (17,600)	-1.85%
1300.60	Capitalized Wages and Overtime	-	(6,801)	-	-	-	-	N/A
5000.20	Overtime	54,798	45,767	59,545	66,830	60,863	1,319	2.21%
5000.40	Standby Pay	28,090	20,578	29,288	21,011	29,986	698	2.38%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	164,852	142,752	183,815	165,423	183,891	76	0.04%
5100.15	Medicare Taxes	13,758	10,904	15,233	12,544	15,024	(209)	-1.37%
5100.20	Health Insurance	148,367	114,521	149,488	111,677	169,007	19,519	13.06%
5100.25	Workers' Compensation	34,021	22,018	29,751	32,351	40,719	10,968	36.87%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	10,000	-	10,800	10,200	13,260	2,460	22.78%
5100.40	Cafeteria Plan Benefits	-	-	7,532	4,389	11,974	4,442	58.98%
5100.45	Dental/Vision Plan	20,302	20,302	18,390	22,190	18,992	602	3.27%
5100.50	Long-Term Disability	3,443	3,443	3,789	2,934	3,800	11	0.28%
5100.55	Life Insurance	3,566	3,452	4,460	3,383	3,970	(490)	-10.99%
5100.60	Employee Physicals	450	141	450	-	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	5,000	5,000	N/A
5100.80	Employee Incentive Programs	2,600	1,127	2,600	1,312	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	160	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	6,465	-	9,062	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,341,210	1,103,883	1,467,032	1,285,216	1,493,828	26,795	1.83%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,200	1,177	1,200	726	1,200	-	0.00%
5200.30	Miscellaneous Office Expenses	600	1,104	600	698	900	300	50.00%
Total Office Expenses:		1,800	2,281	1,800	1,424	2,100	300	16.67%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	6,565	6,224	6,747	6,819	6,747	-	0.00%
5500.15	Minor Tools and Equipment	5,000	2,568	5,000	2,680	8,900	3,900	78.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	168	1,000	157	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	7,002	10,000	6,938	10,000	-	0.00%
5500.40	Safety Supplies	5,000	3,504	5,000	4,442	5,000	-	0.00%
5500.45	Fuel and Lubricants	58,880	53,961	59,380	60,229	59,380	-	0.00%
5500.50	Seed/Erosion Control Supplies	8,000	750	8,000	-	8,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	113	500	62	500	-	0.00%
Total Supplies and Equipment:		94,945	74,290	95,627	81,327	99,527	3,900	4.08%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	35,000	33,248	40,000	33,609	40,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	10,000	11,205	10,000	6,597	10,000	-	0.00%
5700.30	Building Maintenance	7,200	5,648	7,200	4,454	7,200	-	0.00%
5700.40	Landscape Maintenance	4,000	3,358	4,000	2,394	4,000	-	0.00%
Total Repairs and Maintenance:		56,200	53,459	61,200	47,054	61,200	-	0.00%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	69,250	26,443	73,325	60,000	74,325	1,000	1.36%
5400.20	Legal Services	-	-	-	-	-	-	N/A
5400.30	Engineering Services	2,500	3,574	5,000	5,714	5,000	-	0.00%
5400.40	Permits	4,600	3,152	4,600	4,301	3,800	(800)	-17.39%
5400.50	Non-Contractual Services	-	-	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		76,350	33,169	82,925	70,015	83,125	200	0.24%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	9,000	12,813	9,000	17,441	6,000	(3,000)	-33.33%
5300.20	Mileage Reimbursement	-	58	150	-	150	-	0.00%
5300.30	Dues and Memberships	1,500	1,843	1,500	888	1,500	-	0.00%
5300.40	Publications	500	1,382	500	-	500	-	0.00%
5300.50	Training	5,000	8,369	5,000	1,630	5,000	-	0.00%
5300.60	Advertising	1,500	774	2,000	-	2,000	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	750	225	750	244	750	-	0.00%
Total General and Administrative:		18,250	25,463	18,900	20,203	15,900	(3,000)	-15.87%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2013/14 Administration/O&M Budget

Account Number	Account Name	FY 2011/12 Budget	FY 2011/12 Actual	FY 2012/13 Budget	FY 2012/13 Estimated Actual	FY 2013/14 Budget	Change from FY 2012/13 Budget	Percent Change FY 2012/13 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	825	771	847	247	940	93	10.98%
5800.30	Electric Fixed	52,195	33,651	37,682	33,916	40,272	2,590	6.87%
5800.31	Electric-Variable	168,706	50,840	82,512	49,249	189,434	106,922	129.58%
5800.40	Water	1,550	1,602	1,550	1,551	1,650	100	6.45%
5800.50	Telephone	8,000	5,457	8,000	5,203	7,000	(1,000)	-12.50%
5800.60	Waste Disposal	2,900	1,944	2,900	1,903	2,900	-	0.00%
Total Utilities:		234,176	94,265	133,491	92,068	242,196	108,705	81.43%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	46,456	45,429	48,351	48,000	51,584	3,233	6.69%
5900.30	Non-Capitalized Projects	64,440	-	47,469	47,469	37,037	(10,432)	-21.98%
5900.40	Equipment Rental	12,000	4,780	12,000	5,311	12,000	-	0.00%
5900.50	Non-Capitalized Equipment	7,000	5,485	7,000	4,000	7,000	-	0.00%
5900.60	Computer Expenses	47,297	47,078	46,592	57,489	46,932	340	0.73%
5900.70	Appropriated Contingency	36,628	-	38,798	-	39,260	462	1.19%
Total Other Expenses:		213,822	102,772	200,209	162,269	193,813	(6,397)	-3.19%
Turnouts		26,974	50,236	39,207	27,089	21,419	(17,788)	-45.37%
TOTAL OPERATING EXPENSES		\$ 2,063,728	\$ 1,539,818	\$ 2,100,391	\$ 1,786,665	\$ 2,213,107	112,717	5.37%

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$38,453 for FY 2013/14 salary pool and promotional increases of \$13,415.

FY 13/14 Requested Budget	933,292
FY 12/13 Estimated Actual	821,913
Increase (Decrease)	111,380

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

Description: Funds for overtime expenses for non-exempt Distribution employees.

FY 13/14 Requested Budget	60,863
FY 12/13 Estimated Actual	66,830
Increase (Decrease)	(5,967)

Overtime is set at 5.0% of salaries plus one hour per day to monitor SCADA system.

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

Description: CCWA employee salaries and overtime capitalized as a component of capital projects constructed or acquired by CCWA.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for an intern program to work on the Geographical Informational System input and drawings.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	-
Increase (Decrease)	5,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 13/14 Requested Budget	29,986
FY 12/13 Estimated Actual	21,011
Increase (Decrease)	8,975

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on \$1.95 per hour (5% of average hourly rate). 2/3 of Instrumentation Employee standby pay allocated to Distribution Department and 1/3 allocated to the Water Treatment Plant Department.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 13/14 Requested Budget	183,891
FY 12/13 Estimated Actual	165,423
Increase (Decrease)	18,469

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 20.81% contribution rate for FY 2013/14 based on the 2% @ 55 formula.

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 13/14 Requested Budget	15,024
FY 12/13 Estimated Actual	12,544
Increase (Decrease)	2,480

Description: Funds for the employer portion of Medicare taxes for the Distribution Department. Amount is equal to 1.45% of all wages.

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 13/14 Requested Budget	169,007
FY 12/13 Estimated Actual	111,677
Increase (Decrease)	57,330

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2014.
 Family: \$ 20,026
 Emp+1: \$ 15,405
 Emp: \$ 7,702

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution department. Based on an X-Mod rate of 109%. Based on a 5% premium increase over FY 2012/13

FY 13/14 Requested Budget	40,719
FY 12/13 Estimated Actual	32,351
Increase (Decrease)	8,369

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Estimates \$1,300 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

FY 13/14 Requested Budget	13,260
FY 12/13 Estimated Actual	10,200
Increase (Decrease)	3,060

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

Description: Funds for the portion of the cafeteria plan benefits which exceed the premium costs for the Distribution employees based on each employee's benefit election.

FY 13/14 Requested Budget	11,974
FY 12/13 Estimated Actual	4,389
Increase (Decrease)	7,585

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,156 per year per family for dental and vision expenses. Budgeted amount is \$1,862 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 13/14 Requested Budget	18,992
FY 12/13 Estimated Actual	22,190
Increase (Decrease)	(3,198)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.43 per \$100 of salary.

FY 13/14 Requested Budget	3,800
FY 12/13 Estimated Actual	2,934
Increase (Decrease)	866

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employees annual salary to a maximum of \$100,000.

FY 13/14 Requested Budget	3,970
FY 12/13 Estimated Actual	3,383
Increase (Decrease)	587

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

Description: Funds for employee physicals paid by CCWA, including DOT, pre-employment, and respirator evaluation.

FY 13/14 Requested Budget	450
FY 12/13 Estimated Actual	-
Increase (Decrease)	450

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

Description: Funds for reimbursement of employee education expenses under the policy established by CCWA.

FY 13/14 Requested Budget	1,000
FY 12/13 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

Description: Funds to encourage employee safety through safety awards and incentive programs and the Employee Achievement Awards Program (EAAP).

FY 13/14 Requested Budget	2,600
FY 12/13 Estimated Actual	1,312
Increase (Decrease)	1,288

Safety Program	\$	1,300
EAAP	\$	1,300
TOTAL:	\$	2,600

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

Description: CCWA employee benefits capitalized as a component of capital projects constructed or acquired by CCWA.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 13/14 Requested Budget	1,200
FY 12/13 Estimated Actual	726
Increase (Decrease)	474

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards, kitchen supplies, etc.

FY 13/14 Requested Budget	900
FY 12/13 Estimated Actual	698
Increase (Decrease)	202

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for Distribution Department employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Deputy Director as well as travel expenses for winter maintenance.

FY 13/14 Requested Budget	6,000
FY 12/13 Estimated Actual	17,441
Increase (Decrease)	(11,441)

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 13/14 Requested Budget	150
FY 12/13 Estimated Actual	-
Increase (Decrease)	150

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues and memberships in required areas.

FY 13/14 Requested Budget	1,500
FY 12/13 Estimated Actual	888
Increase (Decrease)	612

- DPH Licenses
- NACE Certifications
- Backflow Certification
- Safety Certification

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 13/14 Requested Budget	500
FY 12/13 Estimated Actual	-
Increase (Decrease)	500

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

Description: Funds for training Distribution Department staff.
Does not include educational reimbursement.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	1,630
Increase (Decrease)	3,370

\$ 5,000 - \$500 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

Description: Funds for public relations materials
for the Distribution Department including open position advertising.

FY 13/14 Requested Budget	2,000
FY 12/13 Estimated Actual	-
Increase (Decrease)	2,000

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses
for the Distribution Department.

FY 13/14 Requested Budget	750
FY 12/13 Estimated Actual	244
Increase (Decrease)	506

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$ 55,000	Environmental Services
10,000	Cathodic protection
3,200	Emergency generator and forklift service
1,000	Oil analysis
2,375	Fire extinguisher and SCBA inspections
1,000	Crane inspections
1,750	Security
\$ 74,325	TOTAL

FY 13/14 Requested Budget	74,325
FY 12/13 Estimated Actual	60,000
Increase (Decrease)	14,325

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	5,714
Increase (Decrease)	(714)

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required permits for the Distribution Department.

FY 13/14 Requested Budget	3,800
FY 12/13 Estimated Actual	4,301
Increase (Decrease)	(501)

1,500	Low Threat Discharge Permit
1,300	Diesel Permit
1,000	SYPP, Tank 7 and 5 Business Plan
\$ 3,800	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

Description: Funds for employer provided uniforms including reimbursement of uniform expenses to employees.

FY 13/14 Requested Budget	6,747
FY 12/13 Estimated Actual	6,819
Increase (Decrease)	(72)

\$	3,402	Uniform Service (\$284 month)
\$	1,350	Blue jean pants (\$150/year employee allowance)
\$	1,575	Boots (\$175/year employee allowance)
\$	420	Misc. uniform requirements (jackets, etc.)
\$	6,747	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

Description: Funds for the purchase of minor tools and equipment.

FY 13/14 Requested Budget	8,900
FY 12/13 Estimated Actual	2,680
Increase (Decrease)	6,220

\$	1,000	Flammable Safety Cabinet
\$	1,100	Paint Safety Cabinet
\$	1,800	SCBA Face Masks
\$	5,000	Misc
\$	8,900	TOTAL

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station and the Buellton office.

FY 13/14 Requested Budget	1,000
FY 12/13 Estimated Actual	157
Increase (Decrease)	843

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 13/14 Requested Budget	-
FY 12/13 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 13/14 Requested Budget	10,000
FY 12/13 Estimated Actual	6,938
Increase (Decrease)	3,062

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 13/14 Requested Budget	5,000
FY 12/13 Estimated Actual	4,442
Increase (Decrease)	558

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for Distribution Department vehicles. Does not include mileage reimbursement expenses.

FY 13/14 Requested Budget	59,380
FY 12/13 Estimated Actual	60,229
Increase (Decrease)	(849)

\$	52,376	Vehicles
\$	1,751	Emergency Generator Sets
\$	3,502	Lubricants
\$	1,751	Miscellaneous
\$	59,380	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

Description: Funds for reseeding, replanting and erosion control supplies.

FY 13/14 Requested Budget	8,000
FY 12/13 Estimated Actual	-
Increase (Decrease)	8,000

\$	1,000	Seed
	1,000	Plants and materials
	6,000	Erosion control
\$	8,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 13/14 Requested Budget	500
FY 12/13 Estimated Actual	62
Increase (Decrease)	438

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of Distribution Department equipment.

FY 13/14 Requested Budget	40,000
FY 12/13 Estimated Actual	33,609
Increase (Decrease)	6,391

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles.

FY 13/14 Requested Budget	10,000
FY 12/13 Estimated Actual	6,597
Increase (Decrease)	3,403

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the Santa Ynez Pumping Facility.

FY 13/14 Requested Budget	7,200
FY 12/13 Estimated Actual	4,454
Increase (Decrease)	2,746

\$	3,500	Janitorial Service
	1,700	Pest Control
	2,000	HVAC, includes quarterly inspection
\$	7,200	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 13/14 Requested Budget	4,000
FY 12/13 Estimated Actual	2,394
Increase (Decrease)	1,606

\$	3,300	SYPF (\$275 month avg)
\$	700	SYPF spring mowing
\$	4,000	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

FY 13/14 Requested Budget	940
FY 12/13 Estimated Actual	247
Increase (Decrease)	693

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 13/14 Requested Budget	40,272
FY 12/13 Estimated Actual	33,916
Increase (Decrease)	6,356

\$	15,396	Suite B & C	\$1,283 month
	912	2 Iso vaults	\$76 month
	3,624	2 Tanks	\$302 month
	2,580	11 Rectifiers	\$215 month
	3,012	EDV	\$251 month
	14,748	SYPF	\$1,229 month
\$	40,272	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 13/14 Requested Budget	189,434
FY 12/13 Estimated Actual	49,249
Increase (Decrease)	140,185

Acre feet pumped	2,049
Cost per acre foot	\$92.44
TOTAL	\$189,434

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to
the Distribution Department.

FY 13/14 Requested Budget	1,650
FY 12/13 Estimated Actual	1,551
Increase (Decrease)	99

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

Description: Funds for Distribution Department phones including
long distance and cellular phone bills.

FY 13/14 Requested Budget	7,000
FY 12/13 Estimated Actual	5,203
Increase (Decrease)	1,797

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

Description: Funds for trash service and removal of
hazardous waste (waste oil) for the Distribution Department.

FY 13/14 Requested Budget	2,900
FY 12/13 Estimated Actual	1,903
Increase (Decrease)	997

\$	2,500	Trash service
	400	Hazardous waste removal
\$	2,900	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 13/14 Requested Budget	51,584
FY 12/13 Estimated Actual	48,000
Increase (Decrease)	3,584

\$	22,316	Property and Auto Insurance as apportioned by JPIA.
\$	29,268	General liability and E&O insurance pro rated by salary percentages.
\$	51,584	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy (see detailed breakout in this section of the budget).

FY 13/14 Requested Budget	37,037
FY 12/13 Estimated Actual	47,469
Increase (Decrease)	(10,432)

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

FY 13/14 Requested Budget	12,000
FY 12/13 Estimated Actual	5,311
Increase (Decrease)	6,689

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 13/14 Requested Budget	7,000
FY 12/13 Estimated Actual	4,000
Increase (Decrease)	3,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2013/14 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

Description: Funds for computer expenses including minor software and equipment purchases, and service contracts.

FY 13/14 Requested Budget	46,932
FY 12/13 Estimated Actual	57,489
Increase (Decrease)	<u>(10,557)</u>

\$	36,232	CompuVision, Annual Service Agreements, and Software Subscriptions
\$	10,700	Software, New Computers, DSL Allowance and other computer services.
\$	46,932	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget excluding variable electric costs.

FY 13/14 Requested Budget	39,260
FY 12/13 Estimated Actual	-
Increase (Decrease)	39,260



Inlet Valve Replacement Project

Capital Improvements

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2013/14 is \$239,915.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$10,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. Currently, for FY 2012/13, it is not yet known if funds will need to be carried over into FY 2013/14 from FY 2012/13.

Funding of Capital Improvements Expenditures

The FY 2013/14 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2013/14 capital improvements by department and financial reach.

FY 2013/14 Capital Improvements						
Capital Improvements	Specific		Water Treatment		Total	
	Financial Reach	Administration	Plant	Distribution		
Fluke Documenting Calibrator and Software	WTP		10,773		10,773	
WTP Uninterruptable Power Supply Replacement	WTP		17,010		17,010	
ABB Electromagnetic Flow Meter Replacement Phase 2	WTP		39,690		39,690	
Sludge Collection System Repair	WTP		34,020		34,020	
Fiber Optic Cable Testing Equipment	ALL			18,144	18,144	
Tank 7 Engineering Inspection	SYI			10,500	10,500	
Isolation Vault #2 Repair	MHII			26,250	26,250	
WTP Chlorine Gas Safety Equipment	WTP		23,814		23,814	
Service Truck-Instrumentation Technician	ALL			33,464	33,464	
Upgrade Microsoft Dynamics SL 2011 Accounting Software	ADM				26,250	
Total:			\$ 26,250	\$ 125,307	\$ 88,358	\$ 239,915

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

State Water Project Construction Project

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

Description:	Fluke Documenting Calibrator and Software
Department:	Water Treatment Plant
Expanded Description	The existing Fluke Documenting Calibrator and related software has been in use for over 15 years and is experiencing operational issues. In addition, it is no longer supported by the original manufacturer. This project will replace the existing unit with a new one.
Estimated Charge - Material	\$9,500
Tax (8%)	760
Contingency (5%)	<u>\$513</u>
Subtotal without CCWA Labor	\$10,773
Labor and overhead	\$285
Total Cost	\$11,058
Operating Budget Impact:	The Fluke Documenting Calibrator and software is currently utilized by CCWA Instrumentation Technicians for calibrating the various pressure transducer units within the WTP and distribution system. By performing these tasks in-house, substantial cost savings are achieved by avoiding hiring a sub-contractor to perform the same duties. By providing the tools needed to complete the calibration tasks, these savings can continue.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

Description:	Water Treatment Plant Uninterruptable Power Supply Replacement
Department:	Water Treatment Plant
Expanded Description	The water treatment plant (WTP) utilizes a wide variety of instrumentation, controllers, servers and communication equipment. All of this equipment relies upon an uninterruptible power supply (UPS), which allows the equipment to function during periods of power outages. The existing UPS system at the WTP has been in place since original construction and requires replacement. Similar UPS systems installed during original construction at the Santa Ynez Pumping Plant and in the Buellton Administrative Office have failed in the last year. This project will replace the existing unit.
Estimated Charge - Material	\$15,000
Tax (8%)	\$1,200
Contingency (5%)	<u>\$810</u>
Subtotal without CCWA Labor	\$17,010
Labor and overhead	\$1,282
Total Cost	\$18,292
Operating Budget Impact:	A reliable UPS is a required component of the WTP's network, instrumentation and control system. Although the plant has an emergency generator, the UPS units bridges the time gap between utility power failure and the time the emergency generator starts. Without the ability to provide continuous power during an outage, the WTP could potentially shutdown. This project will help to ensure that potential damage from unplanned power outages will not reach a point where damage will occur, which avoids the costs of potentially significant repair work.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

Description:	ABB Electromagnetic Flow Meter Replacement Phase 2
Department:	Water Treatment Plant
Expanded Description	ABB have changed the basic design of their electromagnetic flow meter (mag-meter) and have stopped manufacturing the older models. The replacement plan for CCWA's 40 mag-meters includes three phases over three years. The first phase included purchasing spare parts for the existing meters to ensure they can continue to function during the replacement program. This is the second phase and will consist of purchasing the first 20 new mag-meter replacements.
Estimated Charge – Materials	\$35,000
Taxes (8.0%)	\$2,800
Contingency (5%)	\$1,890
Subtotal without CCWA Labor	\$39,690
CCWA Labor	\$5,567
Total Cost	\$45,257
Operating Budget Impact:	The CCWA operation requires the use of highly accurate flow meters for measuring chemical dosage rates and water deliveries. The electromagnetic flow meters in use have proven to be a highly reliable, precise and accurate. CCWA has maintained an inventory of spare parts to ensure that the older meters can remain operational until they are ultimately replaced in FY 14/15. Through replacing 20 of the older meters with new meters, the cost of total replacement will be spread out over time, as opposed to one large project to replace all meters at once. This will also allow staff to effectively schedule the replacement work at a reasonable rate, while balancing with other work load demands.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

Description:	Sludge Collection System Repair
Department:	Water Treatment Plant
Expanded Description	A critical component of the sedimentation basin is the sludge removal system. The existing system is a chain and flight assembly that gently scrapes the floor of the sedimentation basin and directs the settled sludge to a collection trench for subsequent removal. This system has been in place since original construction and, based on inspections by the original manufacture and CCWA staff, the drive sprockets and bushing components of the system will require replacement for each basin. This will be the first phase of a three phase project.
Estimated Charge - Materials	\$30,000
Sales Tax (8.0%)	\$2,400
Contingency (5%)	\$1,620
Subtotal without CCWA Labor	\$34,020
Labor and overhead	\$7,577
Total Cost	\$41,597
Operating Budget Impact:	The sedimentation process of the treatment plant relies on the effective removal of accumulated sludge on the bottom of the sedimentation basin. If the settled sludge is not efficiently removed, the production rate of the treatment plant will be impacted and may cease altogether in the extreme case. CCWA's mission is to provide a reliable water supply. Therefore, replacement of this component before failure is mission critical. A planned replacement program will avoid the higher costs of an emergency repair and the negative impact on delivery of water to project participants.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

Description:	Fiber Optic Cable Testing Equipment
Department:	Distribution - All
Expanded Description	The Fiber Optic Cable (FOC) is an important element of the CCWA network. Consequently, the FOC is tested routinely to verify function. CCWA staff utilizes an Optical Time Domain Reflectometer to routinely test the FOC. This device has the ability to measure exact length of the FOC segments and optical loss. The existing unit is past its service life and requires replacement.
Estimated Charge - Materials	\$16,000
Sales Tax (8.0%)	\$1,280
Contingency (5%)	<u>\$864</u>
Subtotal without CCWA Labor	\$18,144
Labor and overhead	\$562
Total Cost	\$18,706
Operating Budget Impact:	The purchase of this testing equipment will replace existing testing equipment. By purchasing this equipment, CCWA will be able to continue to perform all of the maintenance and repair of the Fiber Optical Cable in house. Through maintaining the expertise and equipment in-house, significant savings in costs are achieved when compared to relying upon an outside contractor to perform the work. Since the FOC is the backbone of the CCWA communications network, it is important to maintain and repair the FOC as expeditiously as possible. Using in-house expertise allows for prompt and immediate response should issues arise.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

Description:	Tank 7 Engineering Inspection
Department:	Distribution – Reach SYI
Expanded Description	Cracking was identified during the 2012 internal dive inspection of Tank 7. This information was shared with the original contractor responsible for the construction of Tank 7 for review and recommendations. This contractor indicated that the cracks were not structurally significant, but would cost approximately \$85,000 to repair. To provide a better understanding of the significance of the cracking and to identify the proper scope of repair, an internal inspection by a licensed engineer with experience with potable water reservoirs will be implemented as part of this project.
Estimated Charge – Contractor	\$10,000
Contingency (5%)	\$500
Subtotal without CCWA Labor	\$10,500
CCWA Labor	\$4,537
Total Cost	\$15,037
Operating Budget Impact:	Given the original contractor’s cost estimate to repair Tank 7, it is prudent to retain an expert to determine if the cracks are structurally significant and to determine to appropriate repair option. This due diligence will allow CCWA to determine the proper course of action at the appropriate cost.

Description:	Isolation Vault #2 Repair
Department:	Distribution – Reach MH II
Expanded Description	For several years, the pipe within Isolation Vault #2 appeared to be moving slowly with time. The structure has been routinely surveyed to monitor the extent of the movement. Although no leakage currently exists, leakage is anticipated at some point in the future. An engineering review was completed in FY 12/13 by CCWA’s engineering consultant. The consultant recommended removing the dresser coupling in Isolation Vault #2 and to replace it with a welded connection. This project will implement the engineering consultant’s recommendation.
Estimated Charge – Contractor	\$25,000
Contingency (5%)	\$1,250
Subtotal without CCWA Labor	\$26,250
CCWA Labor	\$4,537
	\$30,787
Operating Budget Impact:	The dresser coupling in Isolation Vault #2 will eventually begin leaking. Implementing the engineered solution in advance will result in a cost effective repair and will avoid costs associated with repairing any damage that may arise from an uncontrolled leak.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

Description:	Water Treatment Plant Chlorine Gas Safety Equipment
Department:	Water Treatment Plant
Expanded Description	Chlorine gas is an effective and economical primary disinfectant. However, chlorine gas is a toxic gas that requires careful management and a number of safety controls. This project is to replace selected existing safety equipment that has become aged and no longer reliable. The safety equipment planned for replacement includes nine self contained breathing apparatus masks, the oxygen supply system and a confined space rescue harness.
Estimated Charge - Materials	\$21,000
Tax (8%)	\$1,680
Contingency (5%)	\$1,134
Subtotal without CCWA Labor	\$23,814
Operating Budget Impact:	Although there are costs associated with maintaining the safety equipment for the CCWA chlorine gas system, the economics and effectiveness of using chlorine gas offsets these costs by a considerable margin. The current cost of chlorine gas for CCWA is \$600/ton and the current cost of 12.5% sodium hypochlorite for CCWA is \$1.98/gallon, which translates to \$3,168/ton. This indicates that Chlorine gas is approximately 1/5 the cost of sodium hypochlorite solution. Considering that CCWA uses up to one ton of chlorine gas per day, the savings are considerable and more than cover the costs of the required safety equipment replacements.

Description:	Service Truck for Instrumentation Technician
Department:	Distribution
Expanded Description	Based on a detailed labor analysis, a new Instrumentation, Calibration and Repair Technician position was approved by the Board for FY 12/13. In order for the new ICR Technician to be independently dispatched for work within the Distribution System, a new service vehicle is required. The new service truck will also be equipped with a service body for use in storing required tools, instruments and spare parts.
Estimated Charge	29,510
Tax (8%)	\$2,361
Contingency (5%)	\$1,593
Subtotal without CCWA Labor	\$33,464
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and is controlled with a variety of instrumentation, actuator and network communication equipment. To ensure continuous reliable operations of the pipeline, this equipment must be routinely serviced and quickly repaired if issues arise. By providing a vehicle for the new ICR Technician, these tasks can be implemented in an efficient proactive manner. Breakdown of this equipment may result in the need to manually operate portions or the entire pipeline, which would require a significant increase in staffing to operate the pipeline.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2013/14 Budget

Description:	Upgrade Accounting Software to Microsoft Dynamics SL 2011
Department:	Administration
Expanded Description	<p>Since 1996, CCWA has used the Solomon accounting software (a division of Microsoft software currently known as Microsoft Dynamics SL). Microsoft periodically releases updates to the software and then only provides technical support for the oldest versions for a limited time. CCWA's policy has been to wait to implement newer versions of software programs in order to allow sufficient time for software companies to work out the problems often found in new versions.</p> <p>Microsoft Dynamics SL 2011 was first made available February 2011, followed by the release of Feature Pack 1 in October 2012. CCWA was recently informed that Microsoft no longer supports the version CCWA currently uses beyond October 2012. Therefore, CCWA must upgrade to the next version of the program.</p>
Estimated Charge - Contractor	\$25,000
Contingency (5%)	\$1,250
Subtotal without CCWA Labor	\$26,250
CCWA Labor	\$5,829
Total Cost	\$32,079
Operating Budget Impact:	Existing software is no longer supported by manufacturer. Potential issues with current version of software could result in additional software support fees and/or complete failure of software or modules contained within.



Tank 5 Overflow

CCWA Bond Debt

The CCWA Bond Debt section of the FY 2013/14 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2013/14 Budget

Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain of the Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2013/14 Budget

Series 2006 A Refunding Revenue Bonds

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce the Authority's total debt service payments over the next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated September 28, 2006 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "2006A Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2013/14 Budget

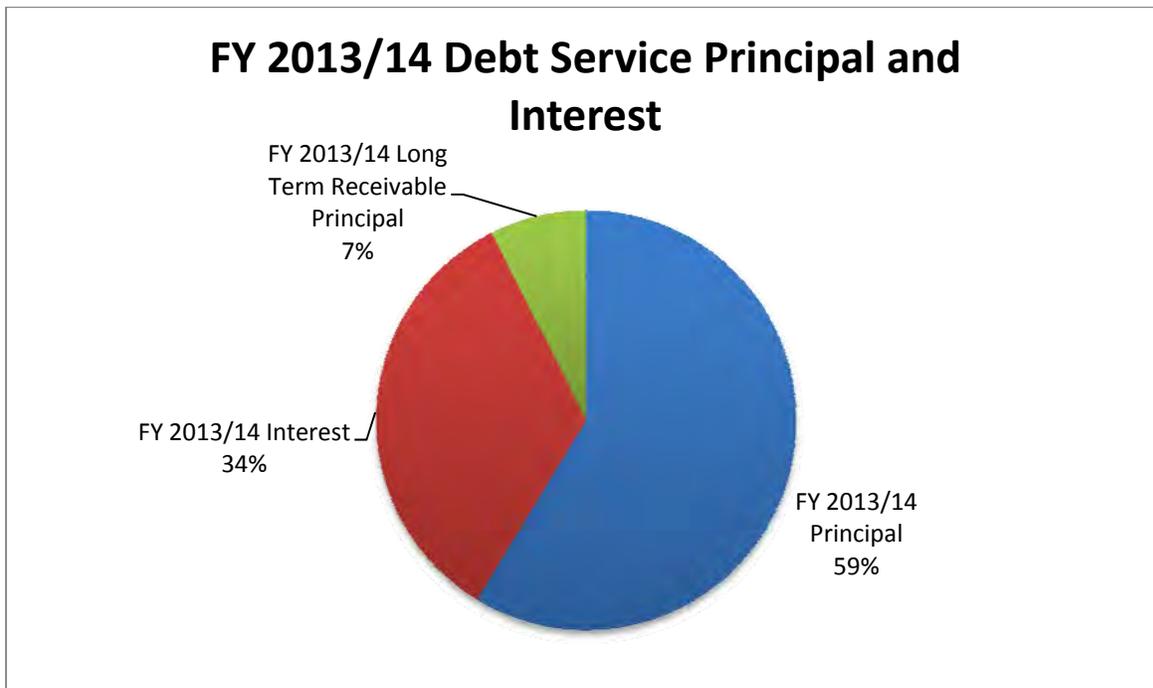
Fiscal Year 2013/14 Debt Service Budget

For FY 2013/14, total 2006A principal payments are \$7,625,000 and total interest due is \$3,900,975, totaling \$11,525,975. Additionally, Bond Trustee fees in the amount of \$2,000 are included in the debt service assessment.

The following are adjustments to the CCWA 2006A revenue bond debt service payments:

- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Total estimated investment income is \$19,592.

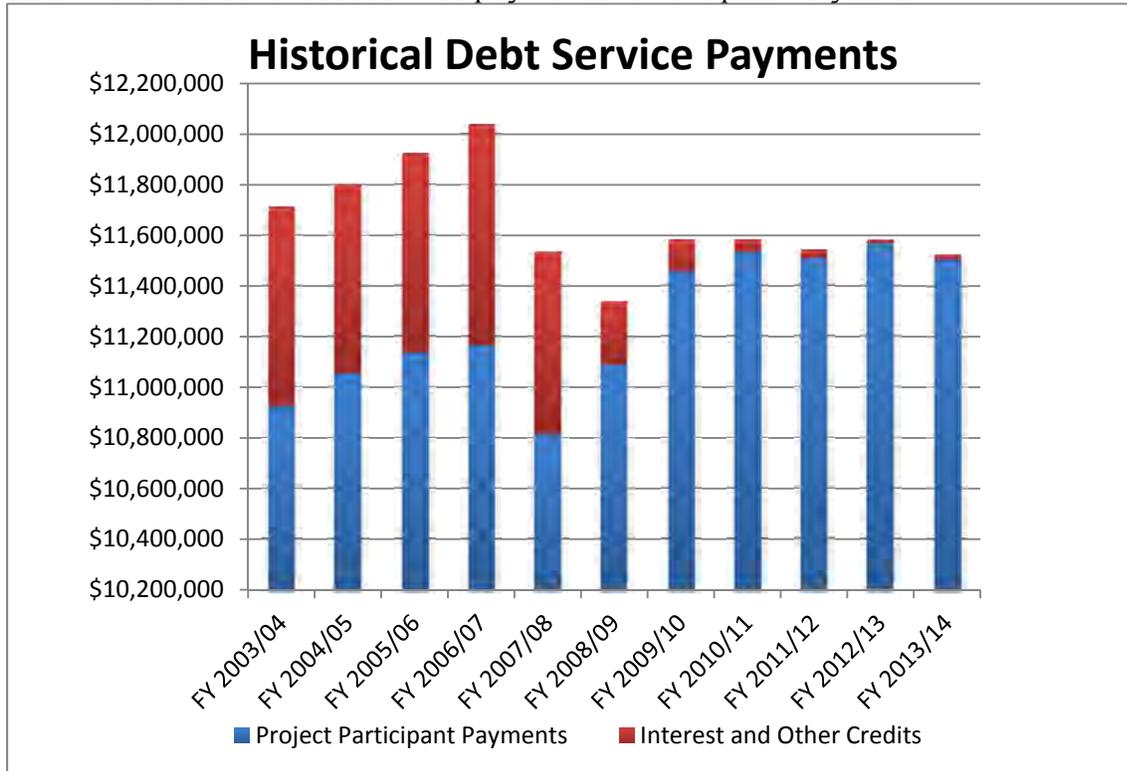
The following chart shows the total principal and interest payments for the 2006A revenue bonds for FY 2013/14.



Central Coast Water Authority
CCWA Bond Debt
 Fiscal Year 2013/14 Budget

Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments for the past 10 years.



Project Participant Financing of Local Facilities

When the Authority's facilities were constructed and financed with the original 1992 Revenue bond proceeds, certain financing participants elected to finance local facilities and costs with proceeds from the CCWA revenue bond issue. Since CCWA does not own these facilities, the financed costs are shown as a long-term receivable on the CCWA financial statements.

A portion of each principal payment paid by the financing participants who financed local facilities reduces the long-term receivable balance of the local facilities, and repayment of the long-term receivable is in direct proportion to the annual payment of principal on the outstanding CCWA 2006A revenue bonds.

The following table shows the original long-term receivable balance, payments against the long-term receivable prior to FY 2012/13 and the portion of the FY 2012/13 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

Central Coast Water Authority

CCWA Bond Debt

Fiscal Year 2013/14 Budget

Bond Principal Payment Allocated to Financed Local Facilities				
Financing Participant	Original Financed Local Facilities	Principal Payments Prior to FY 2013/14	FY 2013/14 Bond Principal Allocated to Local Facilities	Long Term Receivable Balance
Avila Beach	\$ 41,348	\$ (19,806)	\$ (1,963)	\$ 19,579
California Men's Colony	915,568	(434,395)	(43,842)	437,331
County of SLO	976,433	(463,289)	(46,755)	466,389
Cuesta College	457,835	(217,222)	(21,924)	218,690
Morro Bay	7,036,800	(3,356,022)	(335,376)	3,345,401
Oceano	281,692	(134,930)	(13,372)	133,389
Pismo Beach	465,088	(222,777)	(22,078)	220,233
Shandon	33,276	(15,939)	(1,580)	15,757
Guadalupe	1,201,137	(575,344)	(57,019)	568,773
Buellton	195,505	(93,647)	(9,281)	92,577
Santa Ynez (Solvang)	479,456	(174,814)	(24,756)	279,886
Santa Ynez	159,819	(72,355)	(10,971)	76,493
Goleta	2,969,066	(1,422,183)	(140,945)	1,405,938
Morehart Land	12,390	(5,268)	(649)	6,473
La Cumbre	61,948	(26,340)	(3,244)	32,364
Raytheon	18,052	(8,647)	(857)	8,548
Santa Barbara	648,172	(310,474)	(30,769)	306,928
Montecito	934,625	(397,391)	(48,950)	488,284
Carpinteria	929,035	(445,008)	(44,102)	439,925
TOTAL:	\$ 17,817,245	\$ (8,395,852)	\$ (858,435)	\$ 8,562,958

Central Coast Water Authority
CCWA Bond Debt
 Fiscal Year 2013/14 Budget

Central Coast Water Authority
2006 Revenue Bond Series A Debt Service Payments
 Fiscal Year 2013/14 Budget

Financing Participant	Allocation Percentage	FY 2013/14	FY 2013/14	FY 2013/14	Trustee Expenses	Debt Service	FY 2013/14
		Series A (10/1/13)	Series A (10/1/13)	Series A (4/1/14)		Account Interest & Credits ⁽¹⁾	Total Payments
		Principal Payment	Interest Payment	Interest Payment			
Avila Beach	0.11449%	\$ 8,730	\$ 2,342	\$ 2,124	\$ 2	\$ (23)	\$ 13,175
California Men's Colony	1.00140%	76,357	20,487	18,578	20	(204)	115,237
County of SLO	1.06675%	81,340	21,824	19,790	21	(217)	122,758
Cuesta College	0.50074%	38,181	10,244	9,290	10	(102)	57,623
Morro Bay	6.46135%	492,678	132,186	119,869	129	(1,316)	743,547
Oceano	0.83707%	63,827	17,125	15,529	17	(170)	96,327
Pismo Beach	1.38347%	105,490	28,303	25,666	28	(282)	159,205
Shandon	0.11336%	8,643	2,319	2,103	2	(23)	13,044
Guadalupe	1.42469%	108,633	29,146	26,431	28	(318)	163,920
Buellton	2.52375%	192,436	51,631	46,820	50	(551)	290,387
Santa Ynez (Solvang)	7.75040%	590,968	158,558	143,783	155	(1,505)	891,960
Santa Ynez	2.91069%	221,940	59,547	53,998	58	(565)	334,979
Goleta	24.42782%	1,862,621	499,744	453,179	489	(4,742)	2,811,290
Morehart Land	1.12175%	85,533	22,949	20,810	22	(186)	129,129
La Cumbre	5.37046%	409,498	109,869	99,632	107	(1,050)	618,056
Raytheon	0.23482%	17,905	4,804	4,356	5	(51)	27,018
Santa Barbara	15.01654%	1,145,011	307,208	278,583	300	(2,915)	1,728,188
Montecito	17.65001%	1,345,813	361,084	327,439	353	(3,449)	2,031,240
Carpinteria	10.09044%	769,396	206,430	187,195	202	(1,922)	1,161,301
TOTAL:	100.00000%	\$ 7,625,000	\$ 2,045,800	\$ 1,855,175	\$ 2,000	\$ (19,592)	\$ 11,508,383

(1) Represents interest on the financing participant debt service payments for FY 2012/13.

Central Coast Water Authority
CCWA Bond Debt
 Fiscal Year 2013/14 Budget

Central Coast Water Authority
Series 2006A Revenue Bond Debt Service Schedule
 Dated September 28, 2006

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)
4/1/2007			2,927,860	123,190,000	2,927,860
10/1/2007	4.000%	5,895,000	2,879,863	117,295,000	
4/1/2008			2,761,963	117,295,000	11,536,825
10/1/2008	4.000%	6,190,000	2,761,963	111,105,000	
4/1/2009			2,638,163	111,105,000	11,590,125
10/1/2009	4.000%	6,430,000	2,638,163	104,675,000	
4/1/2010			2,509,563	104,675,000	11,577,725
10/1/2010	4.000%	6,695,000	2,509,563	97,980,000	
4/1/2011			2,375,663	97,980,000	11,580,225
10/1/2011	5.000%	6,960,000	2,375,663	91,020,000	
4/1/2012			2,201,663	91,020,000	11,537,325
10/1/2012	4.00% - 4.50%	7,335,000	2,201,663	83,685,000	
4/1/2013			2,045,800	83,685,000	11,582,463
10/1/2013	5.000%	7,625,000	2,045,800	76,060,000	
4/1/2014			1,855,175	76,060,000	11,525,975 FY 2013/14
10/1/2014	5.000%	8,010,000	1,855,175	68,050,000	
4/1/2015			1,654,925	68,050,000	11,520,100
10/1/2015	5.000%	8,405,000	1,654,925	59,645,000	
4/1/2016			1,444,800	59,645,000	11,504,725
10/1/2016	5.000%	8,825,000	1,444,800	50,820,000	
4/1/2017			1,224,175	50,820,000	11,493,975
10/1/2017	4.000%	9,265,000	1,224,175	41,555,000	
4/1/2018			1,038,875	41,555,000	11,528,050
10/1/2018	5.000%	9,640,000	1,038,875	31,915,000	
4/1/2019			797,875	31,915,000	11,476,750
10/1/2019	5.000%	10,125,000	797,875	21,790,000	
4/1/2020			544,750	21,790,000	11,467,625
10/1/2020	5.000%	10,630,000	544,750	11,160,000	
4/1/2021			279,000	11,160,000	11,453,750
10/1/2021	5.000%	11,160,000	279,000	-	11,439,000
\$123,190,000			\$ 52,552,498	\$ -	\$ 175,742,498



Combined Filter Piping at WTP

Reserves and Cash Management

The Reserves and Cash Management section of the FY 2013/14 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

FY 2013/14 Total Reserve Balances

\$10,084,215

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 8,084,215

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2013/14 Budget

This section of the Budget discusses the two cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2013/14 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgments. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Golden State Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	\$ 2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2013/14 Budget

Rate Coverage Reserve Fund

During its December 18, 1997 regular meeting, the Board of Directors also adopted the “Rate Coverage Reserve Fund” policy as follows:

- Purpose:** The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).
- Contributions:** Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor, which has elected to participate in the Rate Fund, shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor’s Contract Payments with respect to that year. A participating Contractor’s initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund’s creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty-days (60) of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor’s obligations until the subsequent July 1. For example to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund’s creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.
- Withdrawal:** A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2013/14 Budget

Administration: Investments of deposits in the Rate Coverage Reserve Fund will be in Permitted Investments described in clause (A) of the definition thereof contained in the Indenture of Trust, dated as of November 1, 1996, with maturities of one year or less or in the Local Agency Investment Fund or in other investments approved in writing by AMBAC. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor's payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

Use of Funds: Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2012. Participation in the fund for FY 2013/14 is not yet known. Prior to June 30, 2013, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2013/14.

FY 2012/13 Rate Coverage Reserve Fund

Project Participant	FY 2012/13 Deposit
City of Buellton	\$ 259,498
Carpinteria Valley Water District	819,480
City of Guadalupe	168,482
La Cumbre Mutual Water Company	392,755
Montecito Water District	1,092,291
City of Santa Maria	4,307,955
Santa Ynez, RWCD, I.D. #1 (Solvang)	608,694
Santa Ynez, RWCD, I.D. #1	419,792
County of San Luis Obispo (Shandon)	15,269
TOTAL:	\$ 8,084,215

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2013/14 Budget

Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

CCWA Investment Pool

All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested in an investment pool which is comprised of the various “types” of payments paid by the Authority’s project participants further broken down by individual project participants within each account.

Each account within the CCWA investment pool receives investment income based on the account’s proportional share of the average daily balance for the month.

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2013/14 Budget



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2013/14 Budget

represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].

- DWR and Warren Act Deposits – funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- Escrow Deposits – deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- Credits payable to Project Participants– credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.



Water Treatment Plant Lagoon Visitors

Ten Year Financial Plan

The Ten Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant for the next ten years.

Central Coast Water Authority
Ten Year Financial Plan
Fiscal Year 2013/14 Budget

The Ten Year Financial Plan shows the allocated share of the Authority's costs to each project participant for the next ten fiscal years beginning with the current budget year.

The Ten Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority's project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the "Budget Foreword" section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

Central Coast Water Authority
ALL PROJECT PARTICIPANTS
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	8,995	9,529	9,521	9,553	9,553	9,553	9,553	9,553	9,553	9,553
Table A Water Deliveries-2nd Quarter	6,743	8,036	8,060	8,078	8,078	8,078	8,078	8,078	8,078	8,078
Table A Water Deliveries-3rd Quarter	6,717	7,361	7,386	7,387	7,387	7,387	7,387	7,387	7,387	7,387
Table A Water Deliveries-4th Quarter	8,320	8,386	8,414	8,417	8,417	8,417	8,417	8,417	8,417	8,417
Total FY Table A Deliveries (acre-feet)	30,775	33,311	33,382	33,434	33,434	33,434	33,434	33,434	33,434	33,434

Exchange Deliveries-1st Quarter	1,189	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210
Exchange Deliveries-2nd Quarter	250	251	251	251	251	251	251	251	251	251
Exchange Deliveries-3rd Quarter	225	225	225	225	225	225	225	225	225	225
Exchange Deliveries-4th Quarter	884	884	884	884	884	884	884	884	884	884
Total FY Exchange Deliveries (acre-feet)	2,548	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570

CCWA Variable Cost per AF Assumptions	\$ 129	\$ 132	\$ 136	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163	\$ 168
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 6,382,402	\$ 6,573,874	\$ 6,771,090	\$ 6,974,223	\$ 7,183,449	\$ 7,398,953	\$ 7,620,921	\$ 7,849,549	\$ 8,085,036	\$ 8,327,587
CCWA Variable O&M Costs ⁽²⁾	1,531,279	1,439,992	1,485,883	1,532,521	1,578,497	1,625,852	1,674,627	1,724,866	1,776,612	1,829,910
CCWA Revenue Bond Payments	11,007,421	11,495,100	11,479,725	11,468,975	11,503,050	11,451,750	11,442,625	11,428,750	11,414,000	-
Subtotal: CCWA Costs	18,921,102	19,508,966	19,736,698	19,975,719	20,264,996	20,476,555	20,738,174	21,003,165	21,275,648	10,157,497

<u>DWR Costs</u>										
Transportation Capital	19,238,201	19,083,311	19,174,510	19,240,199	19,265,377	19,260,587	19,314,455	19,397,969	19,488,515	19,585,330
Coastal Branch Extension	3,032,082	3,770,019	3,726,044	3,651,258	3,359,302	2,507,101	2,076,195	2,950,429	3,058,985	3,628,798
Water System Revenue Bond Surcharge	1,701,934	1,463,929	1,757,650	1,787,525	1,679,728	989,898	593,196	1,583,913	1,586,772	2,355,311
Transportation Minimum OMP&R	7,239,237	6,299,847	6,742,284	6,809,905	6,876,346	6,935,551	6,999,393	7,082,802	7,153,430	7,235,247
Delta Water Charge	2,169,816	2,247,061	2,367,975	2,489,461	2,616,984	2,750,846	2,891,363	3,038,866	3,193,706	3,356,249
DWR Variable Costs	3,220,839	3,997,838	4,116,566	4,240,881	4,368,963	4,500,926	4,636,891	4,776,978	4,921,313	5,070,026
Subtotal: DWR Costs	\$ 36,602,108	\$ 36,862,004	\$ 37,885,029	\$ 38,219,228	\$ 38,166,700	\$ 36,944,909	\$ 36,511,492	\$ 38,830,958	\$ 39,402,722	\$ 41,230,962
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	345,239	698,665	1,052,546	1,406,427	1,759,853	2,274,755	2,789,202	3,303,648	3,818,550

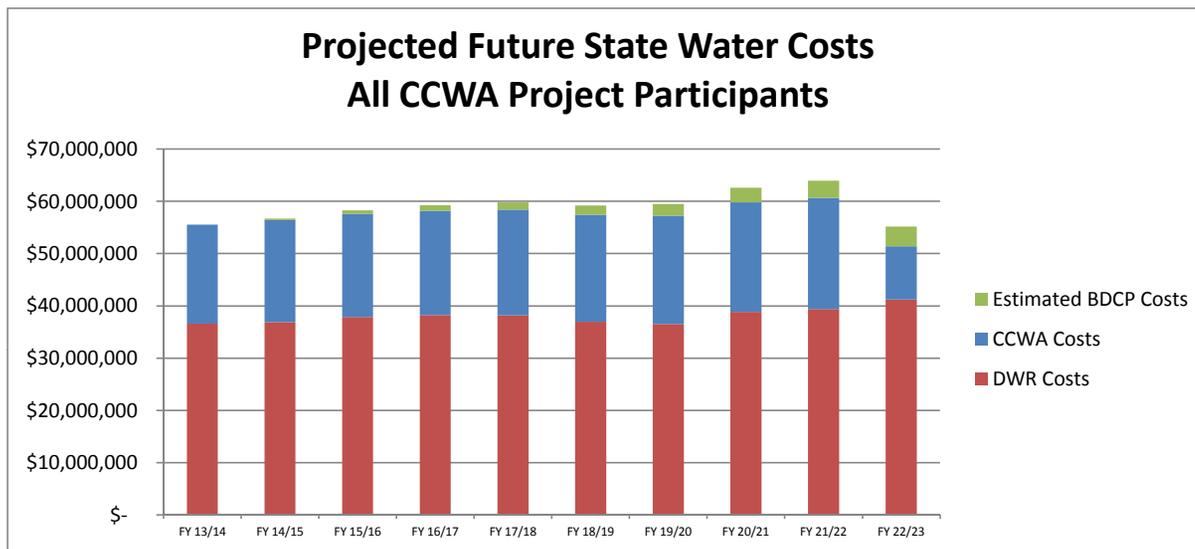
Total Projected State Water Costs	\$ 55,523,201	\$ 56,716,209	\$ 58,320,393	\$ 59,247,493	\$ 59,838,124	\$ 59,181,317	\$ 59,524,421	\$ 62,623,324	\$ 63,982,017	\$ 55,207,009
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Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Projected Payments by Due Date</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 50,771,092	\$ 51,278,379	\$ 52,717,943	\$ 53,474,091	\$ 53,890,664	\$ 53,054,539	\$ 53,212,903	\$ 56,121,481	\$ 57,284,093	\$ 48,307,072
April 1st Variable Payment ⁽⁴⁾	1,478,456	1,626,566	1,668,945	1,716,934	1,761,312	1,797,227	1,842,156	1,911,840	1,969,551	2,037,127
July 1st Variable Payment	982,398	1,265,219	1,306,067	1,345,672	1,383,907	1,415,417	1,452,104	1,508,929	1,553,574	1,610,039
October 1st Variable Payment	1,037,036	1,226,662	1,267,918	1,304,125	1,341,359	1,379,691	1,419,154	1,459,781	1,501,608	1,544,670
January 1st Variable Payment	1,250,029	1,373,921	1,417,003	1,460,424	1,505,092	1,551,140	1,598,611	1,647,549	1,698,002	1,750,016

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).



Central Coast Water Authority
City of Guadalupe
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Water Deliveries-1st Quarter	147	171	171	171	171	171	171	171	171	171
Water Deliveries-2nd Quarter	105	155	155	155	155	155	155	155	155	155
Water Deliveries-3rd Quarter	90	150	150	150	150	150	150	150	150	150
Water Deliveries-4th Quarter	129	129	129	129	129	129	129	129	129	129
Total FY Water Deliveries (acre-feet)	471	605	605	605	605	605	605	605	605	605

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 92,236	\$ 95,003	\$ 97,854	\$ 100,789	\$ 103,813	\$ 106,927	\$ 110,135	\$ 113,439	\$ 116,842	\$ 120,348
CCWA Variable O&M Costs ⁽²⁾	17,286	22,521	23,196	23,892	24,609	25,347	26,108	26,891	27,698	28,528
CCWA Bond Payments & O&M Credits	163,028	163,770	163,551	163,398	163,883	163,152	163,022	162,825	162,614	-
Subtotal: CCWA Costs	272,551	281,294	284,601	288,079	292,305	295,427	299,265	303,155	307,154	148,876

<u>DWR Costs</u>										
Transportation Capital	270,443	268,266	269,548	270,471	270,825	270,758	271,515	272,689	273,962	275,323
Coastal Branch Extension	-	-	-	-	-	-	-	-	-	-
Water System Revenue Bond Surcharge	23,624	19,660	23,804	24,243	22,799	13,304	7,829	21,553	21,566	32,239
Transportation Minimum OMP&R	100,329	88,340	94,506	95,451	96,406	97,370	98,343	99,327	100,320	101,323
Delta Water Charge	28,861	29,173	30,724	32,353	34,063	35,858	37,743	39,723	41,801	43,984
DWR Variable Costs ⁽⁶⁾	52,692	77,894	80,231	82,637	85,117	87,670	90,300	93,009	95,799	98,673
Subtotal: DWR Costs	\$ 475,950	\$ 483,333	\$ 498,813	\$ 505,156	\$ 509,209	\$ 504,960	\$ 505,731	\$ 526,301	\$ 533,449	\$ 551,543
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	4,592	9,293	14,000	18,707	23,407	30,256	37,099	43,941	50,790

Total Projected State Water Costs	\$ 748,501	\$ 769,219	\$ 792,706	\$ 807,235	\$ 820,221	\$ 823,794	\$ 835,252	\$ 866,554	\$ 884,544	\$ 751,208
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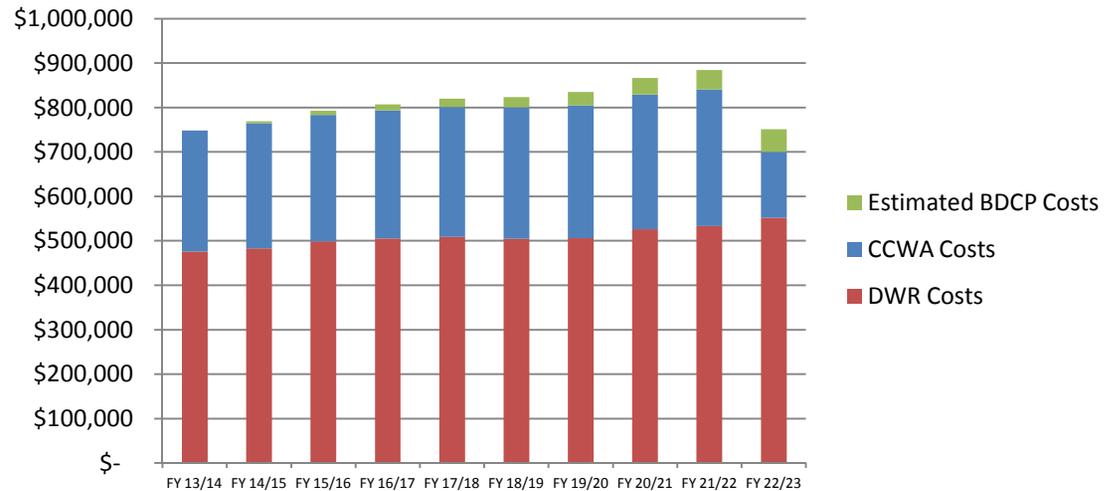
Central Coast Water Authority
City of Guadalupe
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Projected Payments by Due Date</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 678,522	\$ 668,804	\$ 689,280	\$ 700,705	\$ 710,495	\$ 710,777	\$ 718,844	\$ 746,654	\$ 761,047	\$ 624,006
April 1st Variable Payment ⁽⁴⁾	21,841	28,382	29,233	30,110	31,013	31,944	32,902	33,889	34,906	35,953
July 1st Variable Payment	15,600	25,726	26,498	27,293	28,111	28,955	29,823	30,718	31,640	32,589
October 1st Variable Payment	13,372	24,896	25,643	26,412	27,205	28,021	28,861	29,727	30,619	31,538
January 1st Variable Payment	19,166	21,411	22,053	22,715	23,396	24,098	24,821	25,565	26,332	27,122

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.

**Projected Future State Water Costs
 City of Guadalupe**



Central Coast Water Authority
City of Santa Maria
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Water Deliveries-1st Quarter	4,200	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150
Water Deliveries-2nd Quarter	2,900	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370
Water Deliveries-3rd Quarter	3,210	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Water Deliveries-4th Quarter	4,460	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Total FY Water Deliveries (acre-feet)	14,770	17,770	17,770	17,770	17,770	17,770	17,770	17,770	17,770	17,770

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 2,695,795	\$ 2,776,669	\$ 2,859,969	\$ 2,945,768	\$ 3,034,141	\$ 3,125,166	\$ 3,218,921	\$ 3,315,488	\$ 3,414,953	\$ 3,517,402
CCWA Variable O&M Costs ⁽²⁾	542,083	661,474	681,318	701,758	722,811	744,495	766,830	789,835	813,530	837,936
CCWA Bond Payments & O&M Credits	(186,088)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	3,051,790	3,438,143	3,541,288	3,647,526	3,756,952	3,869,661	3,985,750	4,105,323	4,228,483	4,355,337

<u>DWR Costs</u>										
Transportation Capital	7,965,781	7,901,647	7,939,409	7,966,608	7,977,034	7,975,050	7,997,355	8,031,935	8,069,426	8,109,513
Coastal Branch Extension	660,913	821,764	812,178	795,877	732,239	546,481	452,555	643,115	666,777	790,982
Water System Revenue Bond Surcharge	695,844	579,063	701,138	714,071	671,538	391,868	230,603	634,831	635,217	949,591
Transportation Minimum OMP&R	3,016,067	2,602,021	2,783,635	2,811,471	2,839,586	2,867,982	2,896,662	2,925,628	2,954,884	2,984,433
Delta Water Charge	850,077	859,291	904,973	952,940	1,003,304	1,056,187	1,111,714	1,170,017	1,231,235	1,295,515
DWR Variable Costs ⁽⁶⁾	1,659,301	2,287,888	2,356,524	2,427,220	2,500,036	2,575,038	2,652,289	2,731,857	2,813,813	2,898,227
Subtotal: DWR Costs	\$ 14,847,982	\$ 15,051,673	\$ 15,497,857	\$ 15,668,187	\$ 15,723,736	\$ 15,412,606	\$ 15,341,177	\$ 16,137,384	\$ 16,371,353	\$ 17,028,261
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	135,254	273,715	412,355	550,994	689,456	891,178	1,092,722	1,294,267	1,495,989

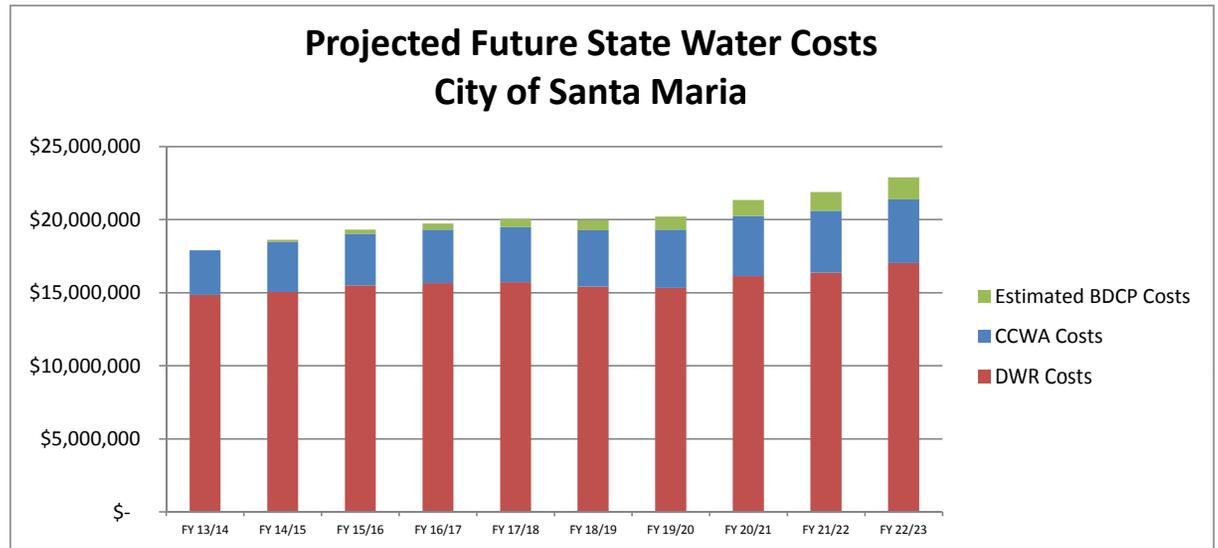
Total Projected State Water Costs	\$ 17,899,772	\$ 18,625,071	\$ 19,312,860	\$ 19,728,068	\$ 20,031,683	\$ 19,971,723	\$ 20,218,106	\$ 21,335,429	\$ 21,894,103	\$ 22,879,587
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Central Coast Water Authority
City of Santa Maria
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 15,698,389	\$ 15,675,709	\$ 16,275,018	\$ 16,599,091	\$ 16,808,836	\$ 16,652,190	\$ 16,798,987	\$ 17,813,737	\$ 18,266,760	\$ 19,143,425
April 1st Variable Payment ⁽⁴⁾	625,986	854,767	880,410	906,822	934,027	962,048	990,909	1,020,637	1,051,256	1,082,793
July 1st Variable Payment	432,228	725,307	747,066	769,478	792,563	816,340	840,830	866,055	892,036	918,798
October 1st Variable Payment	478,432	622,403	641,075	660,308	680,117	700,520	721,536	743,182	765,477	788,442
January 1st Variable Payment	664,737	746,884	769,290	792,369	816,140	840,624	865,843	891,818	918,573	946,130

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Golden State Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Water Deliveries-1st Quarter	158	157	157	157	157	157	157	157	157	157
Water Deliveries-2nd Quarter	104	140	140	140	140	140	140	140	140	140
Water Deliveries-3rd Quarter	120	120	120	120	120	120	120	120	120	120
Water Deliveries-4th Quarter	133	133	133	133	133	133	133	133	133	133
Total FY Water Deliveries (acre-feet)	515	550	550	550	550	550	550	550	550	550

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 87,404	\$ 90,027	\$ 92,727	\$ 95,509	\$ 98,374	\$ 101,326	\$ 104,365	\$ 107,496	\$ 110,721	\$ 114,043
CCWA Variable O&M Costs ⁽²⁾	18,901	20,473	21,088	21,720	22,372	23,043	23,734	24,446	25,180	25,935
CCWA Bond Payments & O&M Credits	(7,994)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	98,312	110,500	113,815	117,229	120,746	124,369	128,100	131,943	135,901	139,978

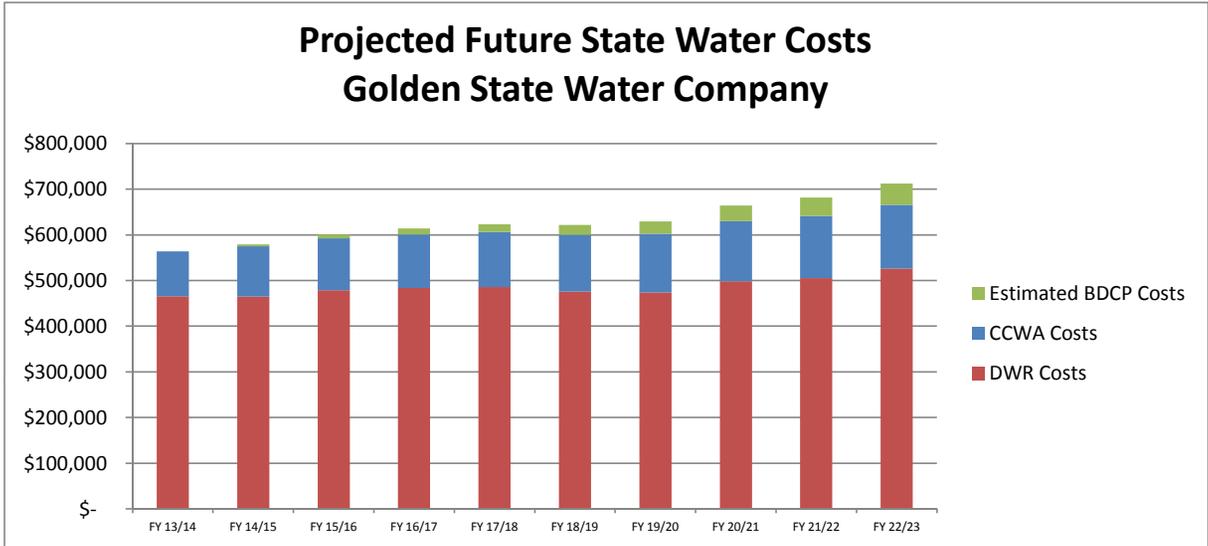
<u>DWR Costs</u>										
Transportation Capital	245,857	243,878	245,043	245,883	246,205	246,144	246,832	247,899	249,056	250,294
Coastal Branch Extension	20,399	25,363	25,067	24,564	22,600	16,867	13,968	19,849	20,580	24,413
Water System Revenue Bond Surcharge	21,477	17,872	21,640	22,039	20,726	12,095	7,117	19,594	19,605	29,308
Transportation Minimum OMP&R	91,209	80,309	85,915	86,774	87,642	88,518	89,403	90,297	91,200	92,112
Delta Water Charge	26,237	26,521	27,931	29,412	30,966	32,598	34,312	36,112	38,001	39,985
DWR Variable Costs ⁽⁶⁾	60,326	70,813	72,937	75,125	77,379	79,700	82,091	84,554	87,090	89,703
Subtotal: DWR Costs	\$ 465,504	\$ 464,757	\$ 478,534	\$ 483,797	\$ 485,518	\$ 475,921	\$ 473,723	\$ 498,305	\$ 505,533	\$ 525,815
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	4,175	8,448	12,727	17,006	21,280	27,506	33,726	39,947	46,173

Total Projected State Water Costs	\$ 563,816	\$ 579,431	\$ 600,796	\$ 613,753	\$ 623,270	\$ 621,569	\$ 629,329	\$ 663,973	\$ 681,380	\$ 711,966
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Central Coast Water Authority
Golden State Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 484,589	\$ 488,145	\$ 506,772	\$ 516,908	\$ 523,519	\$ 518,826	\$ 523,503	\$ 554,973	\$ 569,110	\$ 596,328
April 1st Variable Payment ⁽⁴⁾	24,307	26,058	26,840	27,645	28,474	29,328	30,208	31,115	32,048	33,009
July 1st Variable Payment	15,999	23,236	23,933	24,651	25,391	26,153	26,937	27,745	28,578	29,435
October 1st Variable Payment	18,461	19,917	20,514	21,130	21,764	22,417	23,089	23,782	24,495	25,230
January 1st Variable Payment	20,461	22,075	22,737	23,419	24,121	24,845	25,590	26,358	27,149	27,963

NOTES
 (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
 (2) CCWA fixed and variable costs based on a 3% inflation factor.
 (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
 (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
 (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
 (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Vandenberg AFB
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Water Deliveries-1st Quarter	1,530	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655
Water Deliveries-2nd Quarter	1,455	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Water Deliveries-3rd Quarter	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
Water Deliveries-4th Quarter	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445
Total FY Water Deliveries (acre-feet)	5,880	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 1,018,519	\$ 1,049,074	\$ 1,080,546	\$ 1,112,963	\$ 1,146,352	\$ 1,180,742	\$ 1,216,165	\$ 1,252,649	\$ 1,290,229	\$ 1,328,936
CCWA Variable O&M Costs ⁽²⁾	215,805	225,206	231,963	238,921	246,089	253,472	261,076	268,908	276,975	285,285
CCWA Bond Payments & O&M Credits	(143,771)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	1,090,553	1,274,281	1,312,509	1,351,884	1,392,441	1,434,214	1,477,241	1,521,558	1,567,204	1,614,221

<u>DWR Costs</u>										
Transportation Capital	2,704,432	2,682,658	2,695,478	2,704,713	2,708,252	2,707,579	2,715,151	2,726,891	2,739,620	2,753,230
Coastal Branch Extension	592,323	736,481	727,890	713,281	656,247	489,767	405,589	576,372	597,579	708,893
Water System Revenue Bond Surcharge	236,243	196,595	238,041	242,432	227,991	133,042	78,291	215,529	215,660	322,392
Transportation Minimum OMP&R	1,003,294	883,402	945,061	954,512	964,057	973,698	983,435	993,269	1,003,201	1,013,234
Delta Water Charge	288,606	291,735	307,244	323,529	340,628	358,582	377,434	397,228	418,012	439,835
DWR Variable Costs ⁽⁶⁾	551,514	778,938	802,306	826,375	851,166	876,701	903,002	930,092	957,995	986,735
Subtotal: DWR Costs	\$ 5,376,413	\$ 5,569,809	\$ 5,716,020	\$ 5,764,840	\$ 5,748,341	\$ 5,539,368	\$ 5,462,902	\$ 5,839,382	\$ 5,932,067	\$ 6,224,319
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	45,920	92,928	139,997	187,066	234,075	302,561	370,986	439,412	507,898

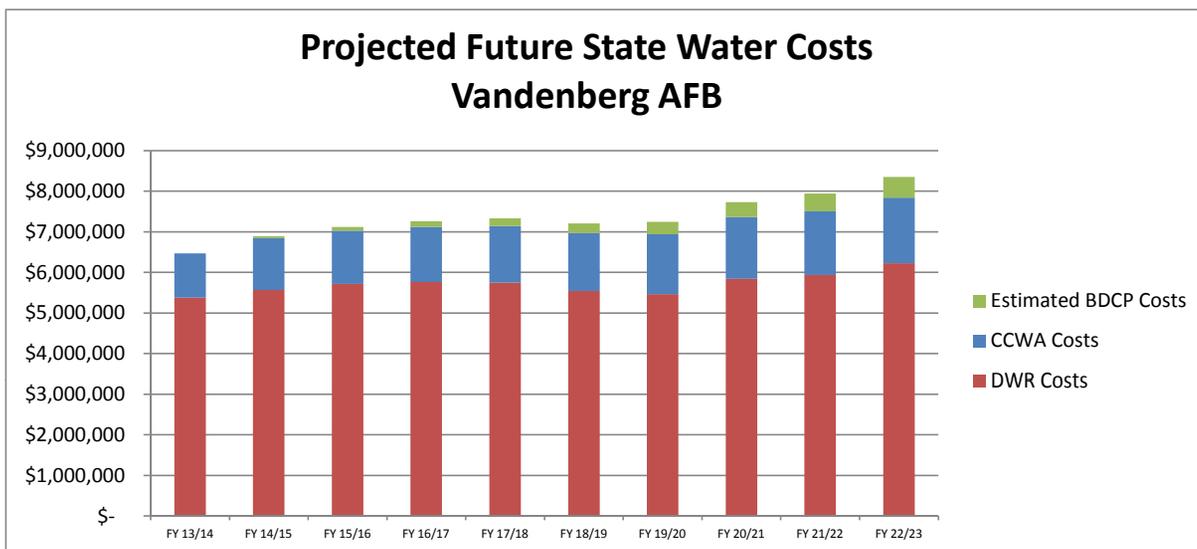
Total Projected State Water Costs	\$ 6,466,966	\$ 6,890,009	\$ 7,121,457	\$ 7,256,722	\$ 7,327,848	\$ 7,207,657	\$ 7,242,703	\$ 7,731,926	\$ 7,938,683	\$ 8,346,437
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Central Coast Water Authority
Vandenberg AFB
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 5,699,646	\$ 5,885,865	\$ 6,087,189	\$ 6,191,425	\$ 6,230,592	\$ 6,077,484	\$ 6,078,625	\$ 6,532,925	\$ 6,703,713	\$ 7,074,417
April 1st Variable Payment ⁽⁴⁾	199,660	274,687	282,928	291,416	300,158	309,163	318,438	327,991	337,831	347,966
July 1st Variable Payment	189,872	248,961	256,430	264,123	272,047	280,208	288,614	297,273	306,191	315,377
October 1st Variable Payment	189,220	240,663	247,882	255,319	262,979	270,868	278,994	287,364	295,985	304,864
January 1st Variable Payment	188,567	239,833	247,028	254,439	262,072	269,934	278,032	286,373	294,964	303,813

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
City of Buellton
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Water Deliveries-1st Quarter	204	182	182	182	182	182	182	182	182	182
Water Deliveries-2nd Quarter	129	144	144	144	144	144	144	144	144	144
Water Deliveries-3rd Quarter	150	150	150	150	150	150	150	150	150	150
Water Deliveries-4th Quarter	160	160	160	160	160	160	160	160	160	160
Total FY Water Deliveries (acre-feet)	643	636	636	636	636	636	636	636	636	636

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 122,466	\$ 126,140	\$ 129,925	\$ 133,822	\$ 137,837	\$ 141,972	\$ 146,231	\$ 150,618	\$ 155,137	\$ 159,791
CCWA Variable O&M Costs ⁽²⁾	23,599	23,675	24,385	25,116	25,870	26,646	27,445	28,269	29,117	29,990
CCWA Bond Payments & O&M Credits	281,838	290,108	289,720	289,448	290,308	289,014	288,783	288,433	288,061	-
Subtotal: CCWA Costs	427,903	439,923	444,029	448,387	454,015	457,632	462,460	467,320	472,315	189,781

<u>DWR Costs</u>										
Transportation Capital	284,211	281,923	283,270	284,241	284,613	284,542	285,338	286,571	287,909	289,339
Coastal Branch Extension	62,248	77,397	76,495	74,959	68,966	51,470	42,624	60,572	62,800	74,498
Water System Revenue Bond Surcharge	24,827	20,660	25,016	25,477	23,960	13,981	8,228	22,650	22,664	33,880
Transportation Minimum OMP&R	105,438	92,838	99,317	100,311	101,314	102,327	103,350	104,384	105,427	106,482
Delta Water Charge	30,339	30,668	32,299	34,011	35,808	37,696	39,677	41,758	43,943	46,237
DWR Variable Costs ⁽⁶⁾	75,366	81,885	84,342	86,872	89,478	92,162	94,927	97,775	100,708	103,729
Subtotal: DWR Costs	\$ 582,429	\$ 585,372	\$ 600,738	\$ 605,870	\$ 604,138	\$ 582,178	\$ 574,144	\$ 613,710	\$ 623,452	\$ 654,166
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	4,827	9,769	14,717	19,665	24,607	31,806	39,000	46,193	53,392

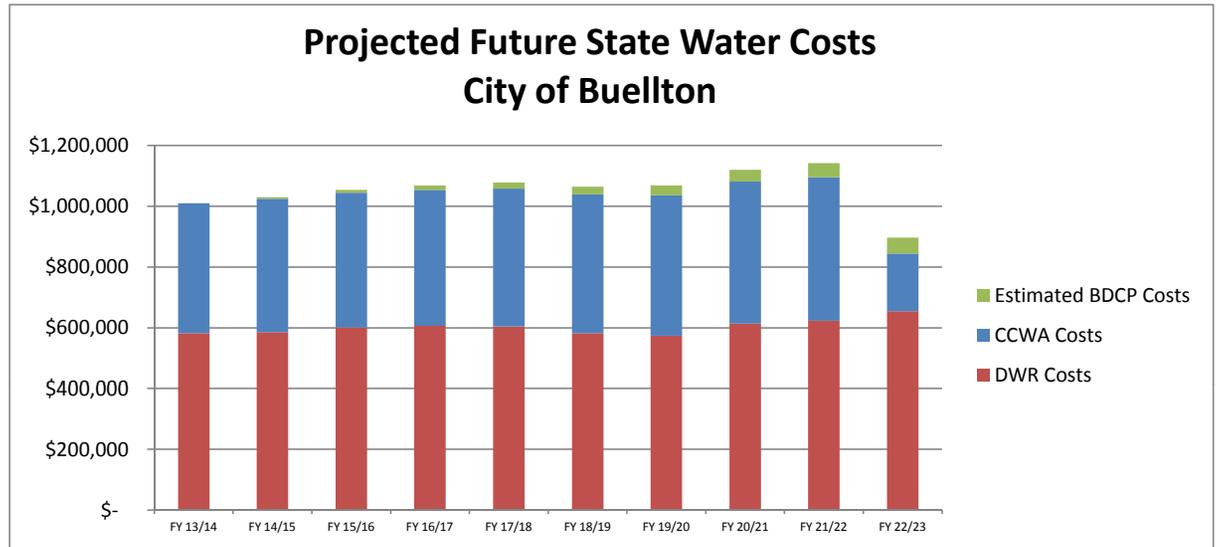
Total Projected State Water Costs	\$ 1,010,332	\$ 1,030,122	\$ 1,054,537	\$ 1,068,975	\$ 1,077,818	\$ 1,064,417	\$ 1,068,410	\$ 1,120,030	\$ 1,141,959	\$ 897,340
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Central Coast Water Authority
City of Buellton
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 911,367	\$ 924,562	\$ 945,810	\$ 956,986	\$ 962,470	\$ 945,609	\$ 946,038	\$ 993,986	\$ 1,012,134	\$ 763,620
April 1st Variable Payment ⁽⁴⁾	31,398	30,207	31,114	32,047	33,008	33,999	35,019	36,069	37,151	38,266
July 1st Variable Payment	19,855	23,900	24,617	25,356	26,116	26,900	27,707	28,538	29,394	30,276
October 1st Variable Payment	23,087	24,896	25,643	26,412	27,205	28,021	28,861	29,727	30,619	31,538
January 1st Variable Payment	24,626	26,556	27,353	28,173	29,018	29,889	30,786	31,709	32,660	33,640

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Water Deliveries-1st Quarter	456	430	415	415	415	415	415	415	415	415
Water Deliveries-2nd Quarter	190	380	380	380	380	380	380	380	380	380
Water Deliveries-3rd Quarter	330	330	330	330	330	330	330	330	330	330
Water Deliveries-4th Quarter	360	375	375	375	375	375	375	375	375	375
Total FY Water Deliveries (acre-feet)	1,336	1,515	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 312,749	\$ 322,132	\$ 331,796	\$ 341,750	\$ 352,002	\$ 362,562	\$ 373,439	\$ 384,642	\$ 396,181	\$ 408,067
CCWA Variable O&M Costs ⁽²⁾	49,033	56,395	57,511	59,237	61,014	62,844	64,730	66,671	68,672	70,732
CCWA Bond Payments & O&M Credits	873,162	890,916	889,725	888,891	891,532	887,556	886,849	885,774	884,631	-
Subtotal: CCWA Costs	1,234,945	1,269,443	1,279,032	1,289,878	1,304,548	1,312,963	1,325,018	1,337,088	1,349,484	478,799

<u>DWR Costs</u>										
Transportation Capital	730,939	725,054	728,519	731,015	731,972	731,790	733,836	737,009	740,449	744,128
Coastal Branch Extension	161,543	200,858	198,516	194,531	178,976	133,573	110,615	157,192	162,976	193,335
Water System Revenue Bond Surcharge	62,680	52,161	63,157	64,322	60,491	35,299	20,772	57,184	57,219	85,537
Transportation Minimum OMP&R	265,134	233,785	250,102	252,603	255,129	257,680	260,257	262,860	265,488	268,143
Delta Water Charge	72,013	72,331	76,176	80,214	84,453	88,905	93,579	98,486	103,639	109,050
DWR Variable Costs ⁽⁶⁾	162,166	195,056	198,919	204,886	211,033	217,364	223,885	230,601	237,519	244,645
Subtotal: DWR Costs	\$ 1,454,476	\$ 1,479,245	\$ 1,515,389	\$ 1,527,571	\$ 1,522,054	\$ 1,464,610	\$ 1,442,944	\$ 1,543,334	\$ 1,567,292	\$ 1,644,838
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	11,385	23,040	34,710	46,380	58,035	75,015	91,980	108,945	125,925

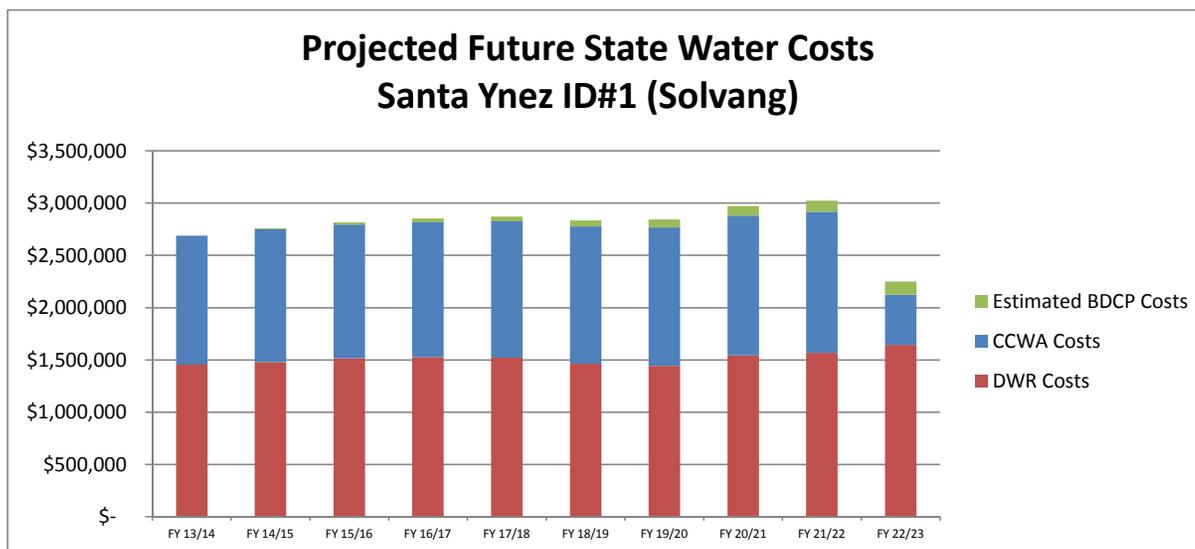
Total Projected State Water Costs	\$ 2,689,421	\$ 2,760,073	\$ 2,817,461	\$ 2,852,159	\$ 2,872,982	\$ 2,835,608	\$ 2,842,977	\$ 2,972,401	\$ 3,025,721	\$ 2,249,562
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Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 2,478,221	\$ 2,508,622	\$ 2,561,031	\$ 2,588,036	\$ 2,600,936	\$ 2,555,400	\$ 2,554,363	\$ 2,675,128	\$ 2,719,530	\$ 1,934,185
April 1st Variable Payment ⁽⁴⁾	72,086	71,369	70,946	73,074	75,266	77,524	79,850	82,245	84,713	87,254
July 1st Variable Payment	30,036	63,070	64,962	66,911	68,919	70,986	73,116	75,309	77,568	79,895
October 1st Variable Payment	52,168	54,771	56,415	58,107	59,850	61,646	63,495	65,400	67,362	69,383
January 1st Variable Payment	56,910	62,240	64,108	66,031	68,012	70,052	72,154	74,318	76,548	78,844

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Santa Ynez ID#1
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	270	235	270	270	270	270	270	270	270	270
Table A Water Deliveries-2nd Quarter	120	80	120	120	120	120	120	120	120	120
Table A Water Deliveries-3rd Quarter	35	100	100	100	100	100	100	100	100	100
Table A Water Deliveries-4th Quarter	175	210	210	210	210	210	210	210	210	210
Total FY Table A Deliveries (acre-feet)	600	625	700	700	700	700	700	700	700	700

Exchange Deliveries-1st Quarter	1,190	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210
Exchange Deliveries-2nd Quarter	250	251	251	251	251	251	251	251	251	251
Exchange Deliveries-3rd Quarter	225	225	225	225	225	225	225	225	225	225
Exchange Deliveries-4th Quarter	884	884	884	884	884	884	884	884	884	884
Total FY Exchange Deliveries (acre-feet)	2,549	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 584,346	\$ 601,876	\$ 619,933	\$ 638,531	\$ 657,687	\$ 677,417	\$ 697,740	\$ 718,672	\$ 740,232	\$ 762,439
CCWA Variable O&M Costs ⁽²⁾	115,533	118,931	125,375	129,136	133,010	137,000	141,110	145,344	149,704	154,195
CCWA Bond Payments & O&M Credits	332,958	334,587	334,139	333,826	334,818	333,325	333,059	332,655	332,226	-
Subtotal: CCWA Costs	1,032,837	1,055,394	1,079,447	1,101,493	1,125,515	1,147,743	1,171,910	1,196,671	1,222,162	916,634

DWR Costs										
Transportation Capital	252,491	250,458	251,655	252,517	252,847	252,785	253,492	254,588	255,776	257,047
Coastal Branch Extension	53,848	66,953	66,172	64,844	59,659	44,524	36,872	52,397	54,325	64,445
Water System Revenue Bond Surcharge	23,226	19,328	23,403	23,835	22,415	13,080	7,697	21,190	21,203	31,696
Transportation Minimum OMP&R	99,700	87,453	93,557	94,492	95,437	96,391	97,355	98,329	99,312	100,305
Delta Water Charge	32,934	33,754	35,549	37,433	39,411	41,489	43,670	45,960	48,365	50,890
DWR Variable Costs ⁽⁶⁾	98,374	80,469	92,829	95,614	98,482	101,436	104,480	107,614	110,842	114,168
Subtotal: DWR Costs	\$ 560,573	\$ 538,415	\$ 563,164	\$ 568,734	\$ 568,252	\$ 549,706	\$ 543,565	\$ 580,078	\$ 589,824	\$ 618,550
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	5,313	10,752	16,198	21,644	27,083	35,007	42,924	50,841	58,765

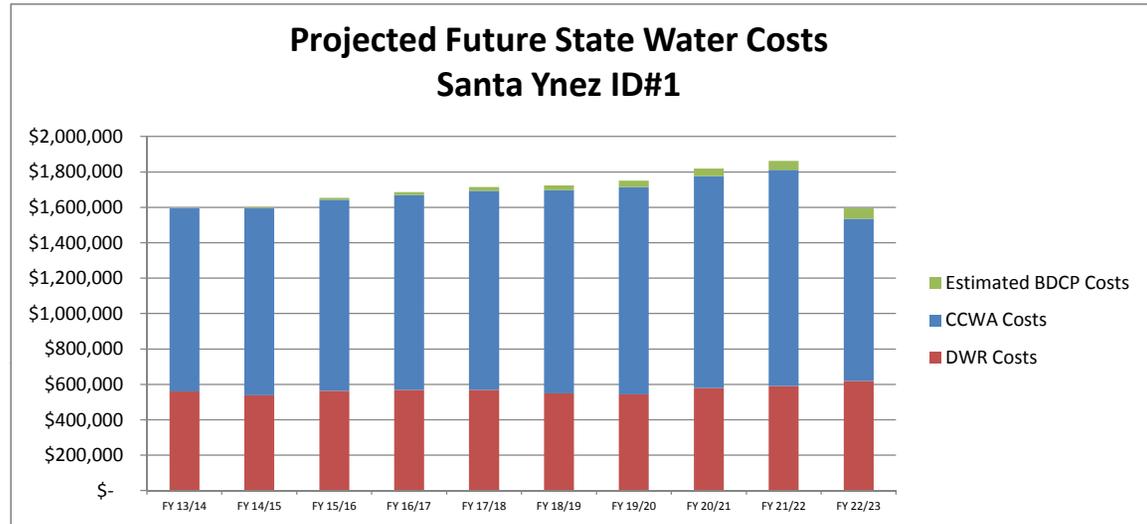
Total Projected State Water Costs	\$ 1,593,410	\$ 1,599,122	\$ 1,653,363	\$ 1,686,425	\$ 1,715,411	\$ 1,724,531	\$ 1,750,482	\$ 1,819,673	\$ 1,862,827	\$ 1,593,950
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Central Coast Water Authority
Santa Ynez ID#1
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 1,379,503	\$ 1,399,722	\$ 1,435,159	\$ 1,461,675	\$ 1,483,918	\$ 1,486,094	\$ 1,504,892	\$ 1,566,715	\$ 1,602,280	\$ 1,325,587
April 1st Variable Payment ⁽⁴⁾	99,176	84,045	92,550	95,326	98,186	101,132	104,166	107,291	110,509	113,825
July 1st Variable Payment	25,134	22,621	30,138	31,042	31,973	32,933	33,921	34,938	35,986	37,066
October 1st Variable Payment	17,661	24,973	25,722	26,494	27,289	28,107	28,950	29,819	30,713	31,635
January 1st Variable Payment	71,936	67,761	69,794	71,887	74,044	76,265	78,553	80,910	83,337	85,837

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Goleta Water District
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Table A Water Deliveries-2nd Quarter	-	1	1	1	1	1	1	1	1	1
Table A Water Deliveries-3rd Quarter	1	1	1	1	1	1	1	1	1	1
Table A Water Deliveries-4th Quarter	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total FY Table A Deliveries (acre-feet)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	428	436	436	436	436	436	436	436	436	436
Exchange Deliveries-2nd Quarter	90	90	90	90	90	90	90	90	90	90
Exchange Deliveries-3rd Quarter	81	81	81	81	81	81	81	81	81	81
Exchange Deliveries-4th Quarter	318	318	318	318	318	318	318	318	318	318
Total FY Exchange Deliveries (acre-feet)	918	925	925	925	925	925	925	925	925	925
CCWA Variable Cost per AF Assumptions	\$ 129	\$ 132	\$ 136	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163	\$ 168
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 365,740	\$ 376,713	\$ 388,014	\$ 399,654	\$ 411,644	\$ 423,993	\$ 436,713	\$ 449,815	\$ 463,309	\$ 477,208
CCWA Variable O&M Costs ⁽²⁾	-	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	2,774,399	2,808,002	2,804,246	2,801,620	2,809,944	2,797,412	2,795,183	2,791,794	2,788,191	-
Subtotal: CCWA Costs	3,140,140	3,184,714	3,192,260	3,201,274	3,221,588	3,221,406	3,231,896	3,241,609	3,251,500	477,208

<u>DWR Costs</u>										
Transportation Capital	2,235,684	2,217,684	2,228,282	2,235,916	2,238,842	2,238,285	2,244,545	2,254,251	2,264,773	2,276,024
Coastal Branch Extension	484,628	602,575	595,547	583,593	536,929	400,719	331,845	471,577	488,928	580,004
Water System Revenue Bond Surcharge	216,694	180,327	218,342	222,370	209,125	122,032	71,812	197,694	197,814	295,714
Transportation Minimum OMP&R	903,691	814,102	870,924	879,633	888,430	897,314	906,287	915,350	924,503	933,749
Delta Water Charge	355,365	359,244	378,342	398,395	419,451	441,560	464,774	489,149	514,742	541,615
DWR Variable Costs ⁽⁶⁾	156,880	119,094	122,667	126,347	130,137	134,041	138,062	142,204	146,470	150,864
Subtotal: DWR Costs	\$ 4,352,941	\$ 4,293,026	\$ 4,414,104	\$ 4,446,254	\$ 4,422,913	\$ 4,233,951	\$ 4,157,327	\$ 4,470,225	\$ 4,537,231	\$ 4,777,969
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	56,546	114,432	172,393	230,354	288,241	372,575	456,834	541,094	625,428

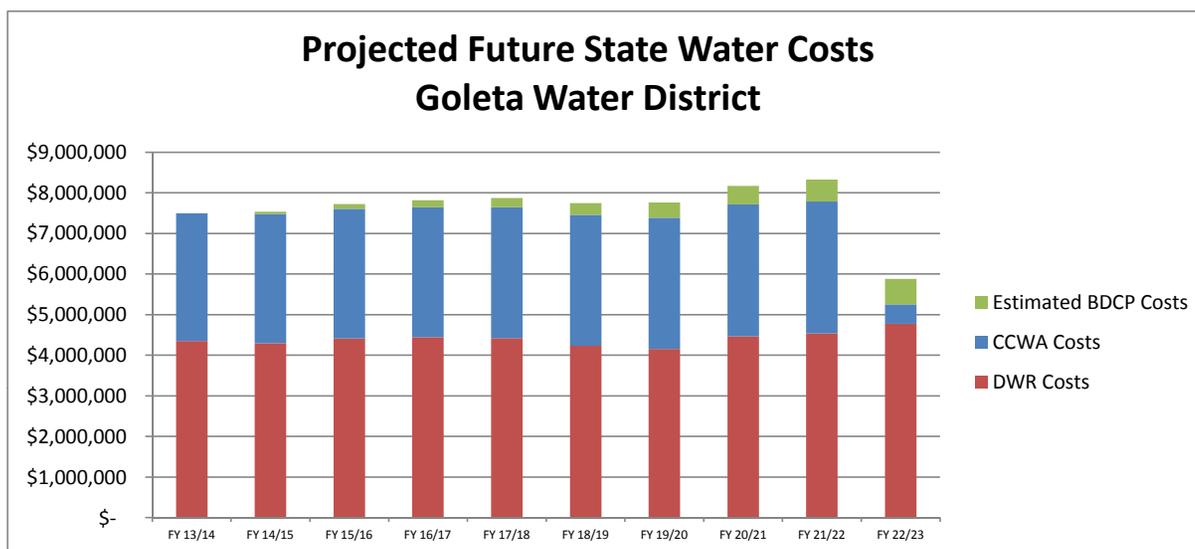
Total Projected State Water Costs	\$ 7,493,081	\$ 7,534,285	\$ 7,720,796	\$ 7,819,922	\$ 7,874,855	\$ 7,743,597	\$ 7,761,798	\$ 8,168,667	\$ 8,329,824	\$ 5,880,605
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Central Coast Water Authority
Goleta Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 7,336,201	\$ 7,415,192	\$ 7,598,129	\$ 7,693,575	\$ 7,744,718	\$ 7,609,556	\$ 7,623,735	\$ 8,026,463	\$ 8,183,354	\$ 5,729,741
April 1st Variable Payment ⁽⁴⁾	73,313	55,927	57,605	59,333	61,113	62,946	64,834	66,780	68,783	70,846
July 1st Variable Payment	15,380	11,801	12,155	12,520	12,895	13,282	13,681	14,091	14,514	14,949
October 1st Variable Payment	14,013	10,690	11,011	11,341	11,681	12,032	12,393	12,764	13,147	13,542
January 1st Variable Payment	54,173	40,650	41,869	43,125	44,419	45,751	47,124	48,538	49,994	51,494

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	54	59	59	59	59	59	59	59	59	59
Table A Water Deliveries-2nd Quarter	35	50	50	50	50	50	50	50	50	50
Table A Water Deliveries-3rd Quarter	60	60	60	60	60	60	60	60	60	60
Table A Water Deliveries-4th Quarter	51	51	51	51	51	51	51	51	51	51
Total FY Table A Deliveries (acre-feet)	200	220	220	220	220	220	220	220	220	220

CCWA Variable Cost per AF Assumptions	\$ 129	\$ 132	\$ 136	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163	\$ 168
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 11,120	\$ 11,454	\$ 11,797	\$ 12,151	\$ 12,516	\$ 12,891	\$ 13,278	\$ 13,676	\$ 14,087	\$ 14,509
CCWA Variable O&M Costs ⁽²⁾	37,420	29,136	30,010	30,911	31,838	32,793	33,777	34,790	35,834	36,909
CCWA Bond Payments & O&M Credits	110,319	128,946	128,774	128,653	129,035	128,460	128,358	128,202	128,036	-
Subtotal: CCWA Costs	158,859	169,536	170,581	171,715	173,389	174,144	175,413	176,669	177,957	51,418

<u>DWR Costs</u>										
Transportation Capital	98,343	97,551	98,017	98,353	98,482	98,457	98,733	99,160	99,623	100,117
Coastal Branch Extension	21,539	26,781	26,469	25,937	23,864	17,810	14,749	20,959	21,730	25,778
Water System Revenue Bond Surcharge	8,591	7,149	8,656	8,816	8,291	4,838	2,847	7,837	7,842	11,723
Transportation Minimum OMP&R	36,483	32,124	34,366	34,710	35,057	35,407	35,761	36,119	36,480	36,845
Delta Water Charge	10,495	10,609	11,173	11,765	12,386	13,039	13,725	14,445	15,200	15,994
DWR Variable Costs ⁽⁶⁾	7,359	28,325	29,175	30,050	30,951	31,880	32,836	33,822	34,836	35,881
Subtotal: DWR Costs	\$ 182,809	\$ 202,538	\$ 207,855	\$ 209,631	\$ 209,031	\$ 201,432	\$ 198,651	\$ 212,341	\$ 215,712	\$ 226,339
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	1,670	3,379	5,091	6,802	8,512	11,002	13,490	15,979	18,469

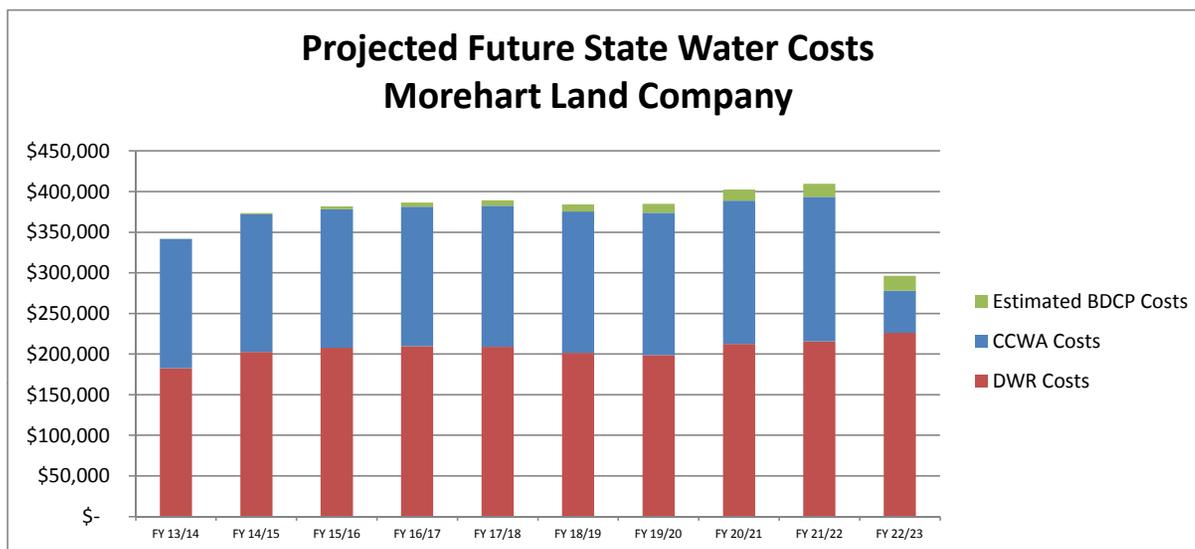
Total Projected State Water Costs	\$ 341,669	\$ 373,745	\$ 381,816	\$ 386,436	\$ 389,222	\$ 384,088	\$ 385,066	\$ 402,500	\$ 409,647	\$ 296,226
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Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 296,890	\$ 316,283	\$ 322,631	\$ 325,476	\$ 326,433	\$ 319,415	\$ 318,452	\$ 333,888	\$ 338,977	\$ 223,436
April 1st Variable Payment ⁽⁴⁾	12,090	15,410	15,872	16,349	16,839	17,344	17,864	18,400	18,952	19,521
July 1st Variable Payment	7,836	13,059	13,451	13,855	14,270	14,698	15,139	15,594	16,061	16,543
October 1st Variable Payment	13,434	15,671	16,141	16,626	17,124	17,638	18,167	18,712	19,274	19,852
January 1st Variable Payment	11,419	13,321	13,720	14,132	14,556	14,992	15,442	15,905	16,383	16,874

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	150	190	190	190	190	190	190	190	190	190
Table A Water Deliveries-2nd Quarter	150	186	186	186	186	186	186	186	186	186
Table A Water Deliveries-3rd Quarter	270	270	270	270	270	270	270	270	270	270
Table A Water Deliveries-4th Quarter	174	174	174	174	174	174	174	174	174	174
Total FY Table A Deliveries (acre-feet)	744	820	820	820	820	820	820	820	820	820

CCWA Variable Cost per AF Assumptions	\$ 129	\$ 132	\$ 136	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163	\$ 168
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 64,329	\$ 66,259	\$ 68,247	\$ 70,294	\$ 72,403	\$ 74,575	\$ 76,812	\$ 79,117	\$ 81,490	\$ 83,935
CCWA Variable O&M Costs ⁽²⁾	139,202	108,599	111,857	115,212	118,669	122,229	125,896	129,672	133,563	137,570
CCWA Bond Payments & O&M Credits	615,655	617,340	616,515	615,937	617,767	615,012	614,522	613,777	612,985	-
Subtotal: CCWA Costs	819,186	792,198	796,618	801,444	808,839	811,816	817,230	822,566	828,038	221,505

<u>DWR Costs</u>										
Transportation Capital	491,715	487,756	490,087	491,766	492,409	492,287	493,664	495,798	498,113	500,587
Coastal Branch Extension	107,695	133,906	132,344	129,687	119,318	89,049	73,743	104,795	108,651	128,890
Water System Revenue Bond Surcharge	42,953	35,745	43,280	44,078	41,453	24,189	14,235	39,187	39,211	58,617
Transportation Minimum OMP&R	182,417	160,619	171,829	173,548	175,283	177,036	178,806	180,594	182,400	184,224
Delta Water Charge	52,474	53,043	55,863	58,823	61,932	65,197	68,624	72,223	76,002	79,970
DWR Variable Costs ⁽⁶⁾	78,547	105,575	108,742	112,005	115,365	118,826	122,390	126,062	129,844	133,739
Subtotal: DWR Costs	\$ 955,802	\$ 976,642	\$ 1,002,145	\$ 1,009,907	\$ 1,005,760	\$ 966,583	\$ 951,463	\$ 1,018,660	\$ 1,034,221	\$ 1,086,027
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	8,349	16,896	25,454	34,012	42,559	55,011	67,452	79,893	92,345

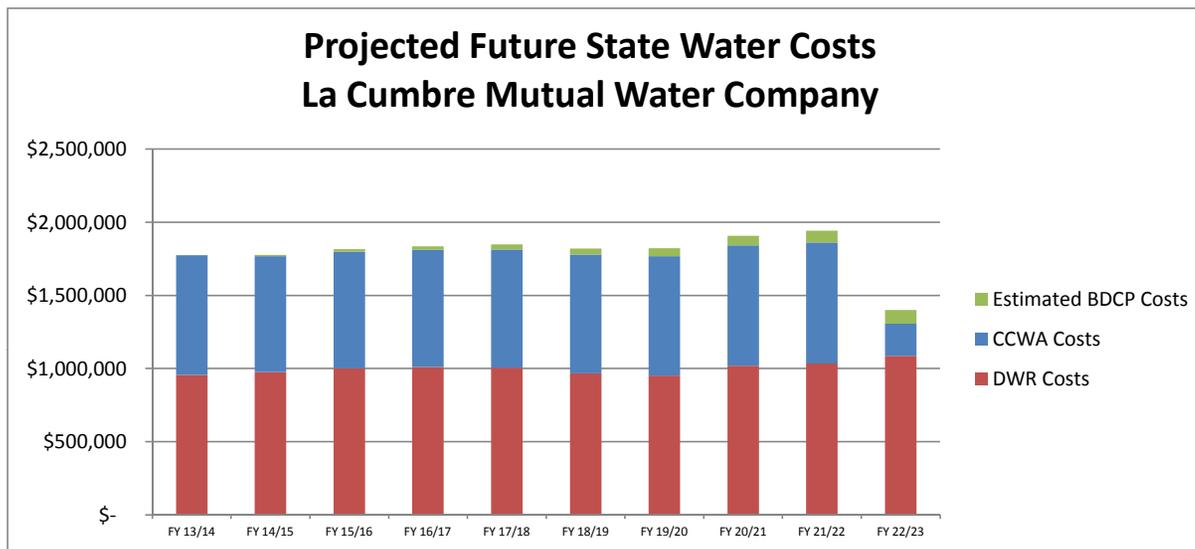
Total Projected State Water Costs	\$ 1,774,988	\$ 1,777,189	\$ 1,815,659	\$ 1,836,805	\$ 1,848,611	\$ 1,820,958	\$ 1,823,704	\$ 1,908,678	\$ 1,942,152	\$ 1,399,877
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Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Projected Payments by Due Date</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 1,557,238	\$ 1,563,016	\$ 1,595,060	\$ 1,609,588	\$ 1,614,578	\$ 1,579,904	\$ 1,575,418	\$ 1,652,944	\$ 1,678,745	\$ 1,128,568
April 1st Variable Payment ⁽⁴⁾	43,901	49,626	51,114	52,648	54,227	55,854	57,530	59,256	61,033	62,864
July 1st Variable Payment	43,901	48,581	50,038	51,539	53,086	54,678	56,319	58,008	59,748	61,541
October 1st Variable Payment	79,022	70,521	72,636	74,815	77,060	79,372	81,753	84,205	86,731	89,333
January 1st Variable Payment	50,925	45,447	46,810	48,214	49,661	51,151	52,685	54,266	55,894	57,570

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Raytheon Systems Company
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	23	23	23	23	23	23	23	23	23	23
Table A Water Deliveries-2nd Quarter	15	15	15	15	15	15	15	15	15	15
Table A Water Deliveries-3rd Quarter	-	-	-	-	-	-	-	-	-	-
Table A Water Deliveries-4th Quarter	17	17	17	17	17	17	17	17	17	17
Total FY Table A Deliveries (acre-feet)	55	55	55	55	55	55	55	55	55	55

Exchange Deliveries-1st Quarter										
Exchange Deliveries-2nd Quarter										
Exchange Deliveries-3rd Quarter										
Exchange Deliveries-4th Quarter										
Total FY Exchange Deliveries (acre-feet)	-	-	-	-	-	-	-	-	-	-
CCWA Variable Cost per AF Assumptions	\$ 129	\$ 132	\$ 136	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163	\$ 168
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 2,610	\$ 2,688	\$ 2,768	\$ 2,852	\$ 2,937	\$ 3,025	\$ 3,116	\$ 3,209	\$ 3,306	\$ 3,405
CCWA Variable O&M Costs ⁽²⁾	10,290	7,284	7,503	7,728	7,959	8,198	8,444	8,698	8,958	9,227
CCWA Bond Payments & O&M Credits	23,225	26,992	26,956	26,931	27,011	26,891	26,869	26,837	26,802	-
Subtotal: CCWA Costs	36,125	36,964	37,227	37,510	37,908	38,114	38,429	38,744	39,066	12,632

<u>DWR Costs</u>										
Transportation Capital	24,586	24,388	24,504	24,588	24,620	24,614	24,683	24,790	24,906	25,029
Coastal Branch Extension	5,385	6,695	6,617	6,484	5,966	4,452	3,687	5,240	5,433	6,444
Water System Revenue Bond Surcharge	2,148	1,787	2,164	2,204	2,073	1,209	712	1,959	1,961	2,931
Transportation Minimum OMP&R	9,121	8,031	8,591	8,677	8,764	8,852	8,940	9,030	9,120	9,211
Delta Water Charge	2,624	2,652	2,793	2,941	3,097	3,260	3,431	3,611	3,800	3,999
DWR Variable Costs ⁽⁶⁾	5,548	7,081	7,294	7,512	7,738	7,970	8,209	8,455	8,709	8,970
Subtotal: DWR Costs	\$ 49,411	\$ 50,635	\$ 51,964	\$ 52,408	\$ 52,258	\$ 50,358	\$ 49,663	\$ 53,085	\$ 53,928	\$ 56,585
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	417	845	1,273	1,701	2,128	2,751	3,373	3,995	4,617

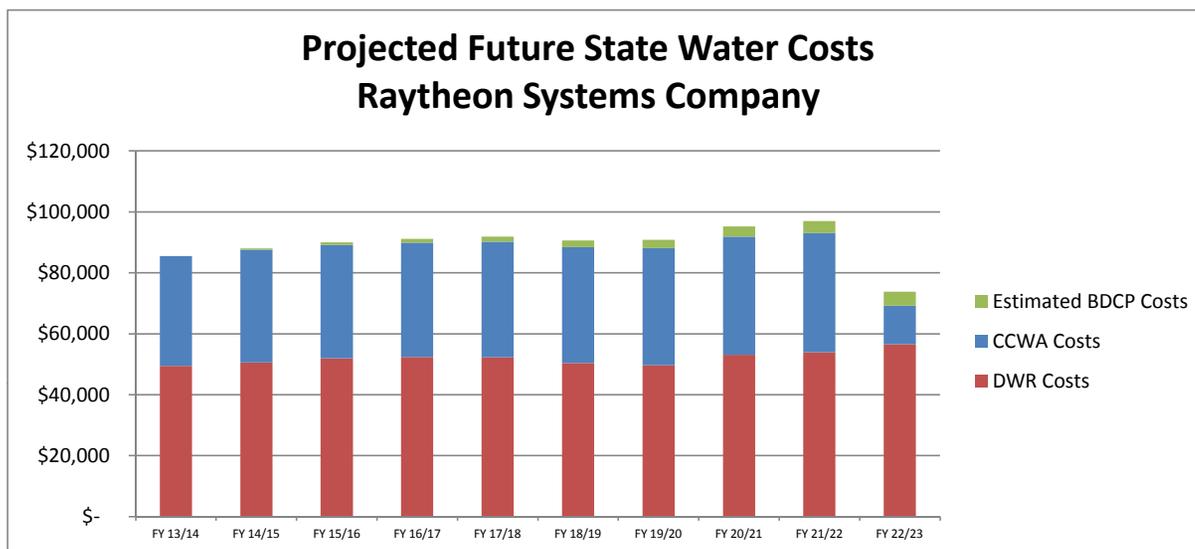
Total Projected State Water Costs	\$ 85,536	\$ 88,016	\$ 90,036	\$ 91,191	\$ 91,866	\$ 90,600	\$ 90,843	\$ 95,202	\$ 96,989	\$ 73,834
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Central Coast Water Authority
Raytheon Systems Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Projected Payments by Due Date</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 69,698	\$ 73,651	\$ 75,240	\$ 75,950	\$ 76,169	\$ 74,432	\$ 74,189	\$ 78,049	\$ 79,321	\$ 55,637
April 1st Variable Payment ⁽⁴⁾	6,624	6,007	6,188	6,373	6,564	6,761	6,964	7,173	7,388	7,610
July 1st Variable Payment	4,320	3,918	4,035	4,156	4,281	4,410	4,542	4,678	4,818	4,963
October 1st Variable Payment	-	-	-	-	-	-	-	-	-	-
January 1st Variable Payment	4,896	4,440	4,573	4,711	4,852	4,997	5,147	5,302	5,461	5,625

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
City of Santa Barbara
State Water Cost Ten-Year Projections
Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-2nd Quarter	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-3rd Quarter	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Table A Water Deliveries-4th Quarter	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total FY Table A Deliveries (acre-feet)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	-	290	290	290	290	290	290	290	290	290
Exchange Deliveries-2nd Quarter	-	60	60	60	60	60	60	60	60	60
Exchange Deliveries-3rd Quarter	54	54	54	54	54	54	54	54	54	54
Exchange Deliveries-4th Quarter	212	212	212	212	212	212	212	212	212	212
Total FY Exchange Deliveries (acre-feet)	266	617	617	617	617	617	617	617	617	617

CCWA Variable Cost per AF Assumptions	\$ 129	\$ 132	\$ 136	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163	\$ 168
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 258,106	\$ 265,849	\$ 273,825	\$ 282,039	\$ 290,501	\$ 299,216	\$ 308,192	\$ 317,438	\$ 326,961	\$ 336,770
CCWA Variable O&M Costs ⁽²⁾	-	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	1,727,467	1,726,166	1,723,858	1,722,243	1,727,360	1,719,657	1,718,287	1,716,203	1,713,988	-
Subtotal: CCWA Costs	\$ 1,985,573	\$ 1,992,016	\$ 1,997,682	\$ 2,004,283	\$ 2,017,861	\$ 2,018,872	\$ 2,026,479	\$ 2,033,641	\$ 2,040,949	\$ 336,770

<u>DWR Costs</u>										
Transportation Capital	1,475,145	1,463,268	1,470,261	1,475,298	1,477,228	1,476,861	1,480,992	1,487,395	1,494,338	1,501,762
Coastal Branch Extension	323,086	401,717	397,031	389,062	357,953	267,146	221,230	314,385	325,952	386,669
Water System Revenue Bond Surcharge	128,860	107,234	129,840	132,235	124,359	72,568	42,704	117,561	117,633	175,850
Transportation Minimum OMP&R	534,882	481,856	515,488	520,643	525,849	531,108	536,419	541,783	547,201	552,673
Delta Water Charge	157,422	159,128	167,588	176,470	185,797	195,590	205,873	216,670	228,007	239,910
DWR Variable Costs ⁽⁶⁾	12,885	79,181	81,557	84,003	86,523	89,119	91,793	94,547	97,383	100,304
Subtotal: DWR Costs	2,632,279	2,692,384	2,761,765	2,777,712	2,757,710	2,632,392	2,579,011	2,772,341	2,810,513	2,957,168
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	25,047	50,688	76,362	102,036	127,677	165,033	202,356	239,679	277,035

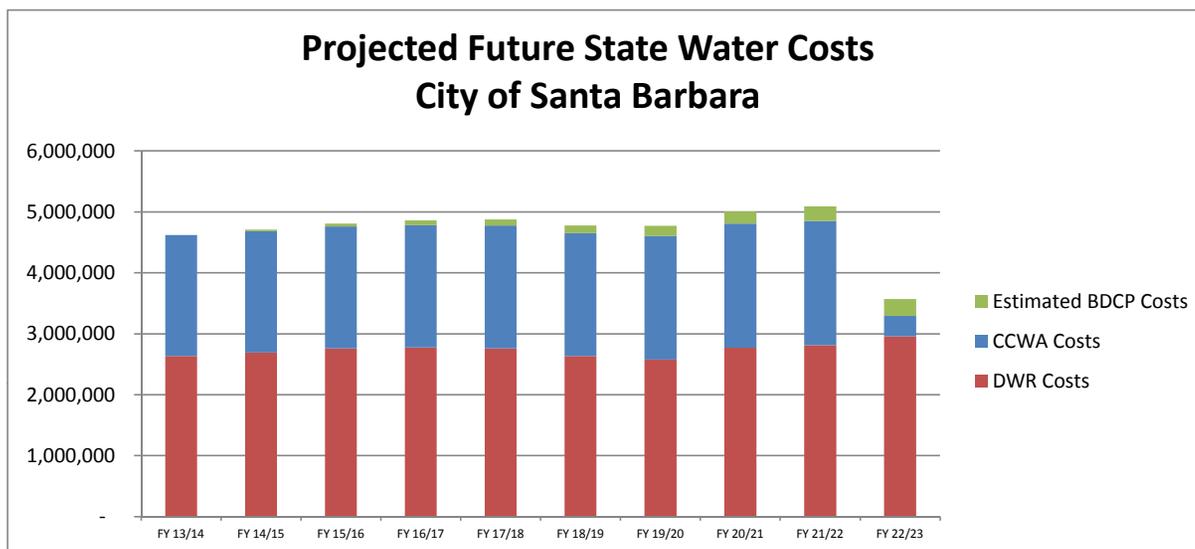
Total Projected State Water Costs	\$ 4,617,852	\$ 4,709,446	\$ 4,810,135	\$ 4,858,357	\$ 4,877,607	\$ 4,778,942	\$ 4,770,522	\$ 5,008,338	\$ 5,091,141	\$ 3,570,973
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Central Coast Water Authority
City of Santa Barbara
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 4,604,967	\$ 4,630,265	\$ 4,728,578	\$ 4,774,353	\$ 4,791,083	\$ 4,689,822	\$ 4,678,729	\$ 4,913,791	\$ 4,993,758	\$ 3,470,669
April 1st Variable Payment ⁽⁴⁾	-	37,285	38,403	39,555	40,742	41,964	43,223	44,520	45,855	47,231
July 1st Variable Payment	-	7,693	7,924	8,162	8,407	8,659	8,919	9,186	9,462	9,746
October 1st Variable Payment	2,577	6,691	6,892	7,099	7,312	7,531	7,757	7,990	8,229	8,476
January 1st Variable Payment	10,308	27,274	28,092	28,935	29,803	30,697	31,618	32,566	33,543	34,550

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	525	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-2nd Quarter	525	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-3rd Quarter	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Table A Water Deliveries-4th Quarter	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total FY Table A Deliveries (acre-feet)	1,049	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	570	290	290	290	290	290	290	290	290	290
Exchange Deliveries-2nd Quarter	120	60	60	60	60	60	60	60	60	60
Exchange Deliveries-3rd Quarter	54	54	54	54	54	54	54	54	54	54
Exchange Deliveries-4th Quarter	212	212	212	212	212	212	212	212	212	212
Total FY Exchange Deliveries (acre-feet)	956	617	617	617	617	617	617	617	617	617

CCWA Variable Cost per AF Assumptions	\$ 129	\$ 132	\$ 136	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163	\$ 168
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 193,791	\$ 199,605	\$ 205,593	\$ 211,761	\$ 218,114	\$ 224,657	\$ 231,397	\$ 238,339	\$ 245,489	\$ 252,854
CCWA Variable O&M Costs ⁽²⁾	196,579	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	2,025,616	2,028,886	2,026,173	2,024,275	2,030,290	2,021,235	2,019,625	2,017,176	2,014,572	-
Subtotal: CCWA Costs	2,415,987	2,228,491	2,231,766	2,236,036	2,248,403	2,245,892	2,251,021	2,255,514	2,260,061	252,854

<u>DWR Costs</u>										
Transportation Capital	1,475,145	1,463,268	1,470,261	1,475,298	1,477,228	1,476,861	1,480,992	1,487,395	1,494,338	1,501,762
Coastal Branch Extension	323,086	401,717	397,031	389,062	357,953	267,146	221,230	314,385	325,952	386,669
Water System Revenue Bond Surcharge	128,860	107,234	129,840	132,235	124,359	72,568	42,704	117,561	117,633	175,850
Transportation Minimum OMP&R	534,882	481,856	515,488	520,643	525,849	531,108	536,419	541,783	547,201	552,673
Delta Water Charge	157,422	159,128	167,588	176,470	185,797	195,590	205,873	216,670	228,007	239,910
DWR Variable Costs ⁽⁶⁾	242,694	79,181	81,557	84,003	86,523	89,119	91,793	94,547	97,383	100,304
Subtotal: DWR Costs	\$ 2,862,088	\$ 2,692,384	\$ 2,761,765	\$ 2,777,712	\$ 2,757,710	\$ 2,632,392	\$ 2,579,011	\$ 2,772,341	\$ 2,810,513	\$ 2,957,168
DWR Future Capital Projects (BDCP) ⁽⁵⁾	-	25,047	50,688	76,362	102,036	127,677	165,033	202,356	239,679	277,035

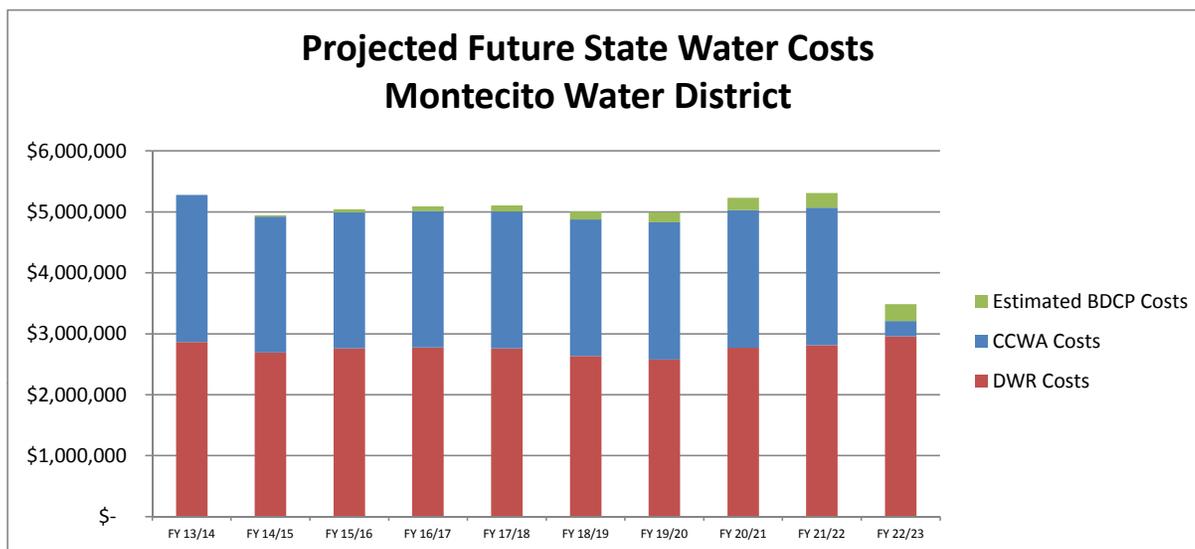
Total Projected State Water Costs	\$ 5,278,075	\$ 4,945,922	\$ 5,044,218	\$ 5,090,110	\$ 5,108,149	\$ 5,005,962	\$ 4,995,065	\$ 5,230,211	\$ 5,310,254	\$ 3,487,057
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Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 4,838,802	\$ 4,866,741	\$ 4,962,662	\$ 5,006,107	\$ 5,021,626	\$ 4,916,842	\$ 4,903,272	\$ 5,135,665	\$ 5,212,871	\$ 3,386,753
April 1st Variable Payment ⁽⁴⁾	239,902	37,285	38,403	39,555	40,742	41,964	43,223	44,520	45,855	47,231
July 1st Variable Payment	141,312	7,693	7,924	8,162	8,407	8,659	8,919	9,186	9,462	9,746
October 1st Variable Payment	11,612	6,691	6,892	7,099	7,312	7,531	7,757	7,990	8,229	8,476
January 1st Variable Payment	46,447	27,274	28,092	28,935	29,803	30,697	31,618	32,566	33,543	34,550

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	1	0	0	0	0	0	0	0	0	0
Table A Water Deliveries-2nd Quarter	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-3rd Quarter	1	1	1	1	1	1	1	1	1	1
Table A Water Deliveries-4th Quarter	1	1	1	1	1	1	1	1	1	1
Total FY Table A Deliveries (acre-feet)	2	2	2	2	2	2	2	2	2	2

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	190	194	194	194	194	194	194	194	194	194
Exchange Deliveries-2nd Quarter	40	40	40	40	40	40	40	40	40	40
Exchange Deliveries-3rd Quarter	36	36	36	36	36	36	36	36	36	36
Exchange Deliveries-4th Quarter	141	141	141	141	141	141	141	141	141	141
Total FY Exchange Deliveries (acre-feet)	408	411	411	411	411	411	411	411	411	411
CCWA Variable Cost per AF Assumptions	\$ 129	\$ 132	\$ 136	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163	\$ 168
DWR Variable Cost per AF Assumptions	\$ 125	\$ 129	\$ 133	\$ 137	\$ 141	\$ 145	\$ 149	\$ 154	\$ 158	\$ 163

<u>CCWA Costs</u>	
CCWA Fixed O&M Costs ⁽²⁾	\$ 162,551 \$ 167,428 \$ 172,451 \$ 177,624 \$ 182,953 \$ 188,441 \$ 194,095 \$ 199,918 \$ 205,915 \$ 212,093
CCWA Variable O&M Costs ⁽²⁾	- - - - - - - - - -
CCWA Bond Payments & O&M Credits	1,157,138 1,159,906 1,158,355 1,157,270 1,160,708 1,155,532 1,154,611 1,153,211 1,151,723 -
Subtotal: CCWA Costs	1,319,690 1,327,334 1,330,805 1,334,894 1,343,661 1,343,973 1,348,706 1,353,129 1,357,638 212,093

<u>DWR Costs</u>	
Transportation Capital	983,430 975,512 980,174 983,532 984,819 984,574 987,328 991,597 996,225 1,001,175
Coastal Branch Extension	215,390 267,811 264,687 259,375 238,635 178,097 147,487 209,590 217,301 257,779
Water System Revenue Bond Surcharge	85,907 71,489 86,560 88,157 82,906 48,379 28,469 78,374 78,422 117,233
Transportation Minimum OMP&R	356,588 321,237 343,659 347,095 350,566 354,072 357,613 361,189 364,801 368,449
Delta Water Charge	104,948 106,085 111,725 117,647 123,865 130,393 137,249 144,447 152,004 159,940
DWR Variable Costs ⁽⁶⁾	57,187 53,174 54,769 56,412 58,104 59,848 61,643 63,492 65,397 67,359
Subtotal: DWR Costs	\$ 1,803,450 \$ 1,795,309 \$ 1,841,574 \$ 1,852,218 \$ 1,838,895 \$ 1,755,363 \$ 1,719,788 \$ 1,848,689 \$ 1,874,151 \$ 1,971,935
DWR Future Capital Projects (BDCP) ⁽⁵⁾	- 16,698 33,792 50,908 68,024 85,118 110,022 134,904 159,786 184,690

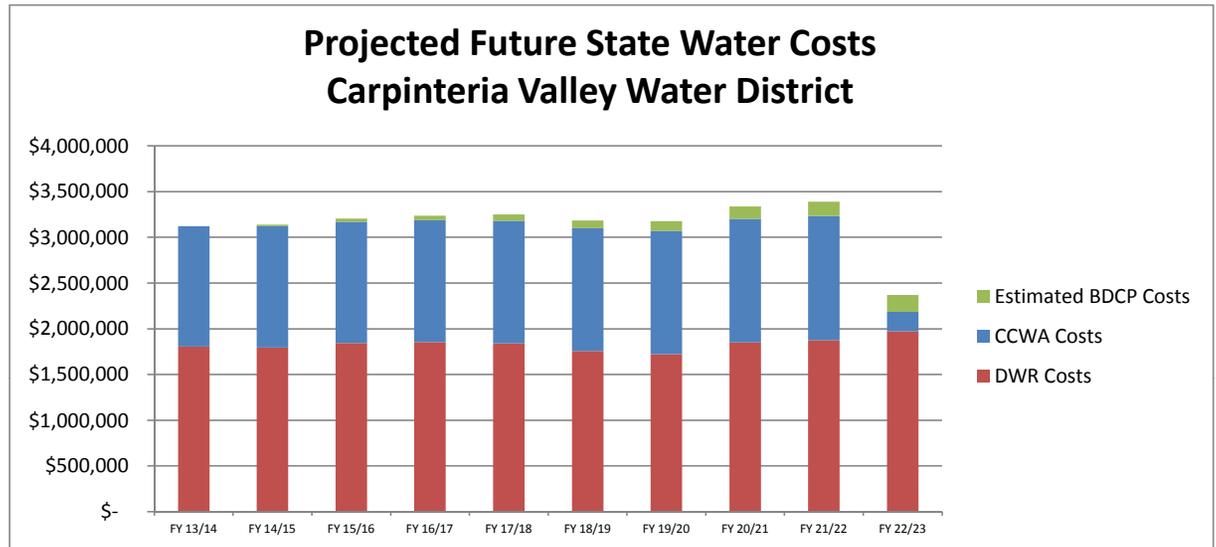
Total Projected State Water Costs	\$ 3,123,139 \$ 3,139,341 \$ 3,206,171 \$ 3,238,020 \$ 3,250,580 \$ 3,184,454 \$ 3,178,516 \$ 3,336,721 \$ 3,391,574 \$ 2,368,717
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Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 3,065,952	\$ 3,086,167	\$ 3,151,402	\$ 3,181,608	\$ 3,192,476	\$ 3,124,607	\$ 3,116,873	\$ 3,273,229	\$ 3,326,177	\$ 2,301,359
April 1st Variable Payment ⁽⁴⁾	26,641	25,030	25,781	26,555	27,351	28,172	29,017	29,888	30,784	31,708
July 1st Variable Payment	5,579	5,129	5,283	5,441	5,604	5,773	5,946	6,124	6,308	6,497
October 1st Variable Payment	5,161	4,896	5,043	5,194	5,350	5,511	5,676	5,846	6,022	6,202
January 1st Variable Payment	19,806	18,357	18,907	19,475	20,059	20,661	21,280	21,919	22,576	23,254

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority
Chorro Valley Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	726	726	726	726	726	726	726	726	726	726
Table A Water Deliveries-2nd Quarter	472	472	472	472	472	472	472	472	472	472
Table A Water Deliveries-3rd Quarter	490	490	490	490	490	490	490	490	490	490
Table A Water Deliveries-4th Quarter	650	650	650	650	650	650	650	650	650	650
Total FY Table A Deliveries (acre-feet)	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
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<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 192,546	\$ 198,322	\$ 204,272	\$ 210,400	\$ 216,712	\$ 223,213	\$ 229,909	\$ 236,807	\$ 243,911	\$ 251,228
CCWA Variable O&M Costs ⁽²⁾	85,799	87,021	89,631	92,320	95,090	97,943	100,881	103,907	107,025	110,235
CCWA Bond Payments & O&M Credits	1,012,420	1,038,035	1,036,647	1,035,676	1,038,753	1,034,121	1,033,297	1,032,044	1,030,712	-
Subtotal: CCWA Costs	\$ 1,290,765	\$ 1,323,378	\$ 1,330,550	\$ 1,338,396	\$ 1,350,555	\$ 1,355,277	\$ 1,364,087	\$ 1,372,758	\$ 1,381,647	\$ 361,464

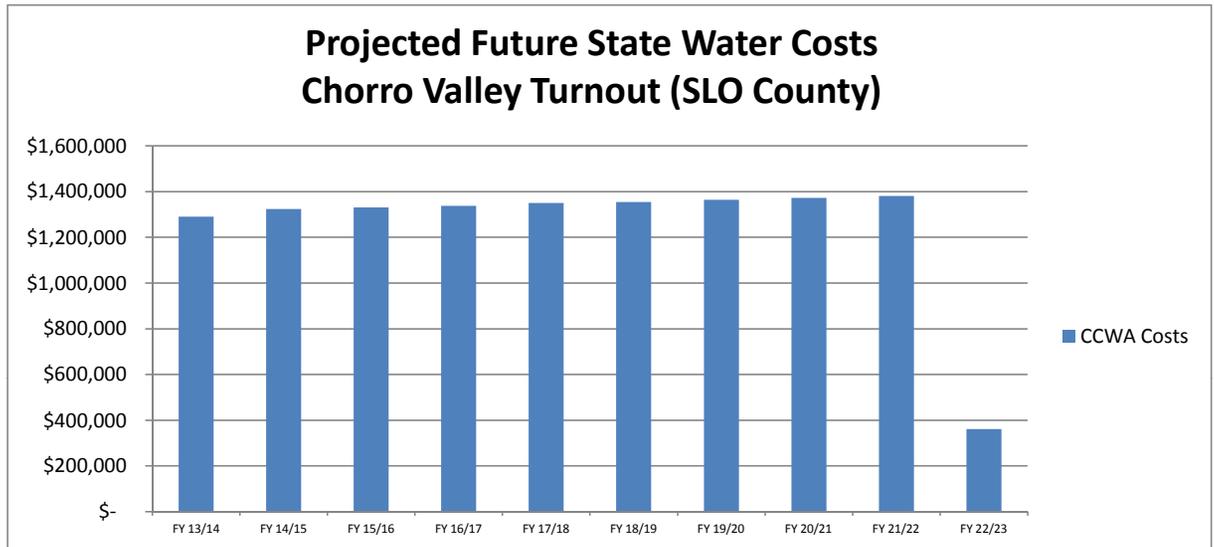
Total Projected State Water Costs	\$ 1,290,765	\$ 1,323,378	\$ 1,330,550	\$ 1,338,396	\$ 1,350,555	\$ 1,355,277	\$ 1,364,087	\$ 1,372,758	\$ 1,381,647	\$ 361,464
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Central Coast Water Authority
Chorro Valley Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 1,204,965	\$ 1,236,357	\$ 1,240,918	\$ 1,246,076	\$ 1,255,465	\$ 1,257,334	\$ 1,263,206	\$ 1,268,850	\$ 1,274,623	\$ 251,228
April 1st Variable Payment ⁽⁴⁾	26,646	27,026	27,837	28,672	29,532	30,418	31,330	32,270	33,238	34,236
July 1st Variable Payment	17,319	17,566	18,093	18,636	19,195	19,771	20,364	20,975	21,604	22,252
October 1st Variable Payment	17,987	18,244	18,791	19,355	19,935	20,533	21,149	21,784	22,437	23,110
January 1st Variable Payment	23,846	24,185	24,911	25,658	26,428	27,221	28,037	28,879	29,745	30,637

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).



Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter	551	552	524	556	556	556	556	556	556	556
Table A Water Deliveries-2nd Quarter	543	544	528	546	546	546	546	546	546	546
Table A Water Deliveries-3rd Quarter	512	491	516	517	517	517	517	517	517	517
Table A Water Deliveries-4th Quarter	567	543	571	574	574	574	574	574	574	574
Total FY Table A Deliveries (acre-feet)	2,173	2,130	2,140	2,192	2,192	2,192	2,192	2,192	2,192	2,192

CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
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<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 209,980	\$ 216,280	\$ 222,768	\$ 229,451	\$ 236,334	\$ 243,424	\$ 250,727	\$ 258,249	\$ 265,997	\$ 273,976
CCWA Variable O&M Costs ⁽²⁾	79,747	79,277	82,047	86,569	89,166	91,841	94,597	97,435	100,358	103,368
CCWA Bond Payments & O&M Credits	235,004	268,414	268,055	267,804	268,600	267,402	267,189	266,865	266,521	-
Subtotal: CCWA Costs	\$ 524,732	\$ 563,971	\$ 572,870	\$ 583,825	\$ 594,101	\$ 602,668	\$ 612,513	\$ 622,549	\$ 632,875	\$ 377,345

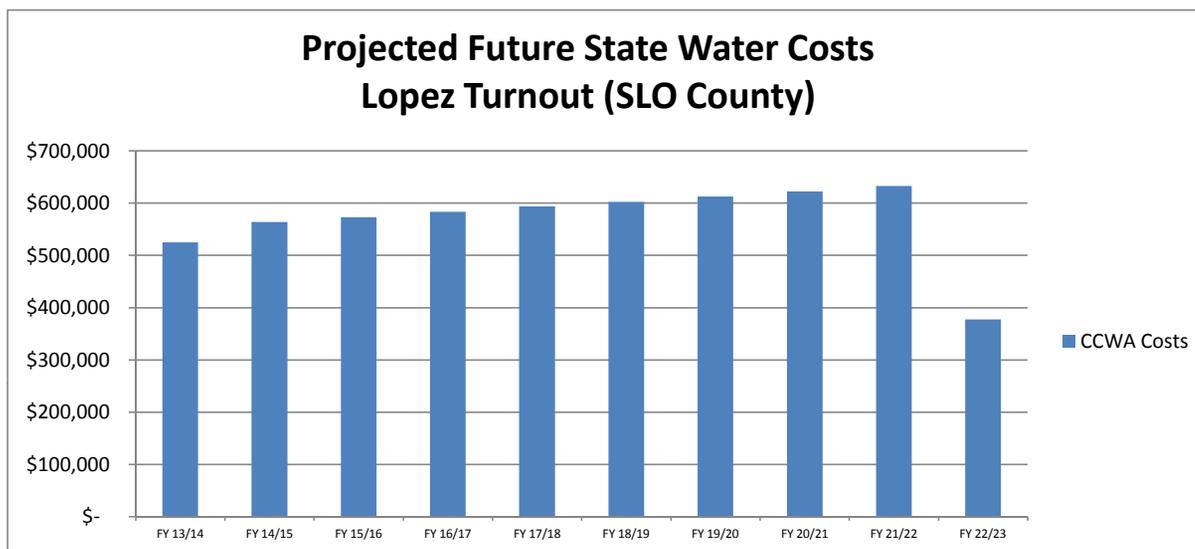
Total Projected State Water Costs	\$ 524,732	\$ 563,971	\$ 572,870	\$ 583,825	\$ 594,101	\$ 602,668	\$ 612,513	\$ 622,549	\$ 632,875	\$ 377,345
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Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<i>Projected Payments by Due Date</i>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 444,985	\$ 484,694	\$ 490,823	\$ 497,255	\$ 504,934	\$ 510,827	\$ 517,916	\$ 525,114	\$ 532,517	\$ 273,976
April 1st Variable Payment ⁽⁴⁾	20,215	20,547	20,100	21,937	22,595	23,273	23,972	24,691	25,431	26,194
July 1st Variable Payment	19,932	20,249	20,253	21,554	22,200	22,867	23,553	24,259	24,987	25,736
October 1st Variable Payment	18,792	18,259	19,782	20,416	21,029	21,659	22,309	22,979	23,668	24,378
January 1st Variable Payment	20,808	20,222	21,911	22,662	23,342	24,042	24,763	25,506	26,271	27,060

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
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- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).



Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

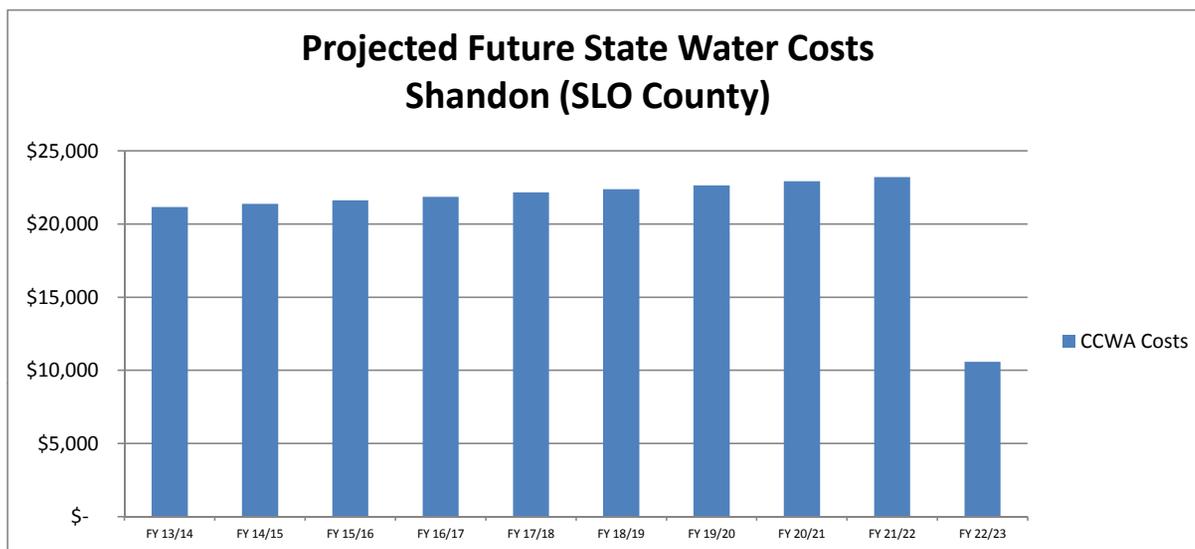
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Table A Water Deliveries-1st Quarter										
Table A Water Deliveries-2nd Quarter										
Table A Water Deliveries-3rd Quarter										
Table A Water Deliveries-4th Quarter										
Total FY Table A Deliveries <i>(acre-feet)</i>	-	-	-	-	-	-	-	-	-	-
CCWA Variable Cost per AF Assumptions	\$ 36	\$ 37	\$ 38	\$ 39	\$ 41	\$ 42	\$ 43	\$ 44	\$ 46	\$ 47
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 8,111	\$ 8,355	\$ 8,605	\$ 8,864	\$ 9,130	\$ 9,403	\$ 9,685	\$ 9,976	\$ 10,275	\$ 10,584
CCWA Variable O&M Costs ⁽²⁾	-	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	13,044	13,030	13,013	13,001	13,039	12,981	12,971	12,955	12,938	-
Subtotal: CCWA Costs	\$ 21,156	\$ 21,385	\$ 21,618	\$ 21,864	\$ 22,169	\$ 22,385	\$ 22,656	\$ 22,931	\$ 23,214	\$ 10,584
Total Projected State Water Costs	\$ 21,156	\$ 21,385	\$ 21,618	\$ 21,864	\$ 22,169	\$ 22,385	\$ 22,656	\$ 22,931	\$ 23,214	\$ 10,584

Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2013/14 Budget

<u>Projected Payments by Due Date</u>	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
June 1st Fixed Payment ⁽³⁾	\$ 21,156	\$ 21,385	\$ 21,618	\$ 21,864	\$ 22,169	\$ 22,385	\$ 22,656	\$ 22,931	\$ 23,214	\$ 10,584
April 1st Variable Payment ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-
July 1st Variable Payment	-	-	-	-	-	-	-	-	-	-
October 1st Variable Payment	-	-	-	-	-	-	-	-	-	-
January 1st Variable Payment	-	-	-	-	-	-	-	-	-	-

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects (please refer the detailed cost assumptions page for additional information on the estimated future DWR capital costs).





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Appendix

The Appendix to the FY 2013/14 Budget contains miscellaneous statistical information on the CCWA and a glossary of terms.

Central Coast Water Authority
Santa Barbara County Area Description
Fiscal Year 2013/14 Budget

Santa Barbara County is located on the Pacific coast of the southern portion of the U.S. state of California, just west of Ventura County. The estimated total population of the County as of January 2006 was 421,625 according to the California Department of Finance. The county seat is Santa Barbara and the largest city is Santa Maria.

For thousands of years, the area was home to the Chumash tribe of Native Americans, complex hunter-gathers who lived along the coast and in interior valleys leaving rock art in many locations including Painted Cave. European contact had devastating effects on the Chumash Indians, including a series of disease epidemics that drastically reduced Chumash population. The Chumash survived, however, and thousands of Chumash descendants still live in the Santa Barbara area or surrounding counties.

The County has a total area of 3,789 square miles and four of the Channel Islands – San Miguel Island, Anacapa Island, Santa Cruz Island and Santa Rosa Island – are in Santa Barbara County. They form the largest part of the Channel Islands National Park.

Santa Barbara County has a mountainous interior abutting a coastal plains area. The largest concentration of people is on this coastal plain, referred to as the south coast – the part of the county south of the Santa Ynez Mountains – which includes the cities of Santa Barbara, Goleta and Carpinteria, as well as the unincorporated areas of Hope Ranch, Mission Canyon, Montecito and Isla Vista. North of the mountains are the towns of Santa Ynez, Solvang, Buellton, Lompoc; the unincorporated towns of Los Olivos and Ballard; the unincorporated areas of Mission Hills and Vandenberg Village; and Vandenberg Air Force Base, where the Santa Ynez River flows out to the sea. North of the Santa Ynez Valley are the cities of Santa Maria and Guadalupe.

Viticulture in Santa Barbara County is traceable to missionary plantings in the Milpas Valley late in the 18th century. Since commercial viticulture rebounded in the 1960's, Santa Barbara County has been on the fast track to viticultural stardom.

Famous for ripe, yet elegant, Chardonnay and Pinot Noir, the County is also gaining a reputation for Rhone varietals including Syrah and Viognier. Santa Barbara wine grapes now command among the highest prices anywhere in the State.

Located on California's South Central Coast, the county is an oasis of rolling hills, ancient oak trees and cattle ranches. The County now claims more than 60 wineries and 21,000 acres of vine.

Central Coast Water Authority
Miscellaneous Statistical Information
 Fiscal Year 2013/14 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	29.50
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2013/14 Santa Barbara County requested deliveries	28,814 acre-feet
San Luis Obispo State water Table A	4,830 acre-feet
FY 2013/14 San Luis Obispo requested deliveries	4,511 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	340,000
San Luis Obispo County	<u>41,000</u>
TOTAL	381,000

Central Coast Water Authority

Glossary of Terms

Fiscal Year 2013/14 Budget

A

Account - A record of a business transaction; a reckoning of money received or paid.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

Accrual - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot.

Adoption - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Advance Refunding - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Aqueduct - A canal for conveying a large amount of water.

Assets - Resources owned or held by a government which have monetary value.

B

Bond Call - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

Budget - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

Central Coast Water Authority

Glossary of Terms

Fiscal Year 2013/14 Budget

C

Capital Improvements - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

Capitalized Interest - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

Carry-Over - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are "carried over" into the subsequent fiscal year.

Coastal Branch Phase II - A 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

Coverage - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Defeasance - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

Delta Water Charge - A unit charge applied to each acre-foot of State water entitlement by DWR. The unit charge is applied to result in repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities, with appropriate interest, by the end of the State water contract repayment period (2035).

Department of Water Resources - The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

Central Coast Water Authority

Glossary of Terms

Fiscal Year 2013/14 Budget

deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

G

General Fund - The Authority's cash balance net of reserve balances.

Central Coast Water Authority

Glossary of Terms

Fiscal Year 2013/14 Budget

J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

Central Coast Water Authority

Glossary of Terms

Fiscal Year 2013/14 Budget

O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Off Aqueduct Charge - Bond debt service, cover and reserves for transmission costs allocated to DWR off-aqueduct power facilities (power cost which includes both fixed and variable cost elements.)

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

Central Coast Water Authority

Glossary of Terms

Fiscal Year 2013/14 Budget

Reserves - A budgeted amount to be set aside in an account for future use.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Amount - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

Central Coast Water Authority

Glossary of Terms

Fiscal Year 2013/14 Budget

Table A Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

Transportation Charge - Minimum Operation, Maintenance, Power and Replacement (OMP&R) - Operating costs incurred by DWR that do not depend on or vary with quantities of water delivered to the Authority.

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

Water System Revenue Bond Surcharge - The surcharge is the difference between the total project charges collected at the project interest rate for a project and the annual financing costs of the water system revenue bonds issued for that project. Project interest rate is the melded financing costs for projects not financed with water system revenue bonds.

THE STATE WATER PROJECT IN SANTA BARBARA COUNTY

Introduction

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

History of the State Water Project

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

The State Water Project in Santa Barbara County

The Early Years

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

The 1980's and 1990's

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report, needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

The Central Coast Water Authority

Early Activities

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Southern California Water Company, La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch

Phase II project, which extends from northwest Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

Project Financing, Development and Implementation

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000.)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the

federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The

change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings. CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting

from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

A Commitment to Environmental Protection

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and curating 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County) and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

Water Supply Reliability

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 80% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out. In the meantime, the reliability of requested deliveries by CCWA project participants is much higher – virtually 100% – because their current total demand is significantly less than 39,078 acre feet per year.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

The Future

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

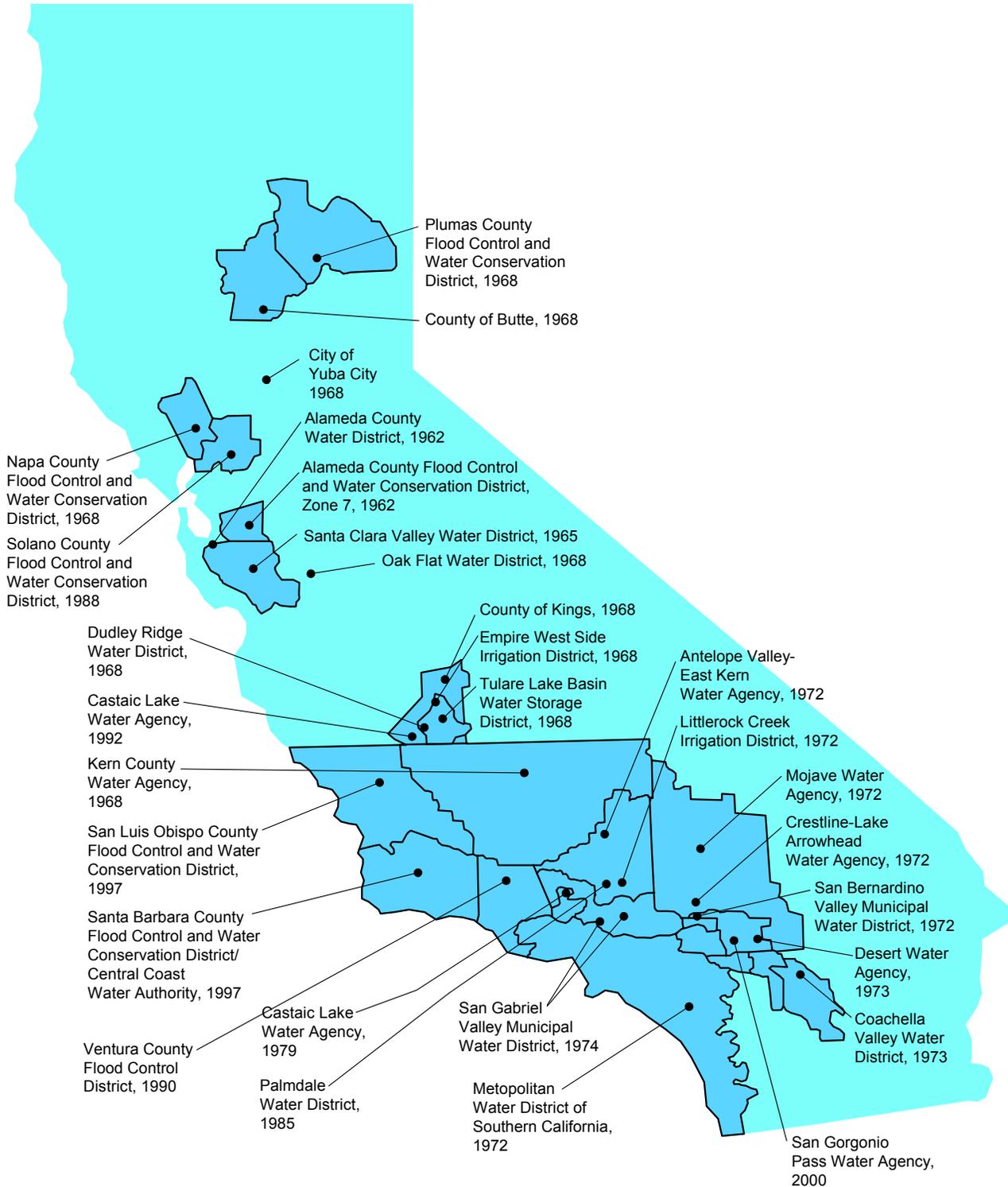


Table 1

COASTAL BRANCH PHASE II PROJECT DATA *

Tank Sites*	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

Polonio Pass Water Treatment Plant	43 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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Pipeline		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
Total Pipeline >>>		143.1

Pump Plants	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

Turnouts	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	California Cities Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Santa Barbara Research Center, La Cumbre Mutual Water Co.

* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.